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Tuesday November 19 1996

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# The Guardian

INTERNATIONAL  
NEWSPAPER OF THE YEAR  
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Why the CPS is letting criminals off the hook

## Barbara Mills in the dock

G2 with European...



Cult of the death discs

## When love's young dream flies through the windscreen

PHOTOGRAPH BY...



Education

## One out, all out on campus

G2 pages 10/11

October boom frees Chancellor's hand for tax cuts and increased spending on health and education

# Clarke in the money



PHOTOMONTAGE: ROGER TOOTH

## Business delivers £4.4bn surplus

Larry Elliott  
Economics Editor

**C**HANCELLOR Kenneth Clarke was last night set to pull off a Budget hat-trick of lower taxes, reduced borrowing and higher spending on education and health after official figures showed Britain's booming companies pushing the state finances back into the black last month.

Taken aback by the Government's £4.4 billion surplus in October, some City analysts were last night predicting Mr Clarke would gamble on a 2p cut in the basic rate of tax as the launchpad for a five-month election campaign.

However, the Chancellor was eager to play down expectations, noting that the £4.4 billion repayment of debt in

October merely brought the Government's finances back on course to hit the borrowing forecast of the summer. Treasury sources stressed that the public sector borrowing requirement figures for last month had been flattered by special factors boosting corporation tax and VAT.

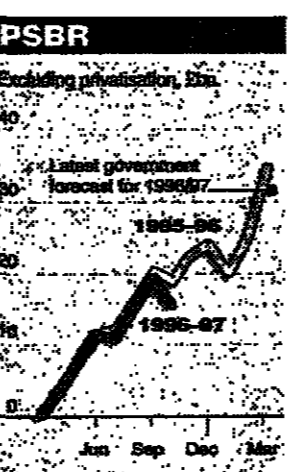
The Chancellor is aware that a giveaway Budget would stoke consumer spending and increase pressure from the Bank of England for higher base rates to combat inflation. Conservative strategists believe that any political benefit from tax cuts could be negated by dearer mortgages.

Even so, it was widely assumed in the markets last night that Mr Clarke's fourth Budget would move towards a 20 per cent standard rate of income tax, a reduction in next year's £28.4 billion borrowing forecast, and more cash for health and education.



According to the Treasury, government receipts stood at just over £28 billion, compared with spending of £23.6 billion in October. The surplus — nearly four times as high as the debt repayment of £2.2 billion in October 1995 — went some of the way to offsetting the deficit built up in the first six months of the 1996/97 financial year.

In the year to date, the Government has had to borrow £11.4 billion to balance the



books, well down on the £18.7 billion in the first seven months of 1996/97. Some of the improvement is due to higher privatisation proceeds, with the PSBR excluding state sell-offs standing at £15.3 billion this year against £18.8 billion in 1995/96.

"This is a very good set of figures," Mr Clarke said in a statement. "But October is normally a month in which tax revenues are strong, particularly for business. What

these figures confirm is that I am on course to hit my summer forecast for public borrowing."

In the summer, Mr Clarke forecast that the PSBR would be £26.9 billion in the current financial year, a modest improvement on last year's £31.7 billion. However, David Walton, economist at Goldman Sachs, said that if the recent trend continued the PSBR could turn out to be £23.6 billion. "These were excellent figures which give the Chancellor much greater room for manoeuvre in next week's Budget than previously seemed likely."

Adam Cole, at City firm James Capel, warned that the surge in tax receipts was masking higher than planned public spending, but agreed that the Chancellor now had more scope to compensate for the big tax-raising Budgets of 1995 and 1994. "We would not rule out 2p off the basic rate on income tax."

Corporation Tax receipts this financial year are 21 per cent up on 1995/96, more than double the official forecast of a 9 per cent rise. In October, which with January is a key month for payment of corpo-

rate tax, they were up by 25 per cent on a year ago.

Officials said this jump was in part due to the strength of the economy, but pointed out that the performance of the corporate sector was mixed. Financial companies, which are outperforming manufacturing, tend to pay corporation tax in October, while industry tends to favour January.

They also added that the buoyancy of Customs and Excise receipts — up by 11 per cent this year on April-October 1995/96 — may have been influenced by a new tax collection system in which larger firms pay VAT only once a quarter.

Spending by Government departments is up by 4 per cent this year, more than double the planned 1.8 per cent increase for the year as a whole. Officials said the sell-off of MoD married quarters and the Housing Corporation's loan book — worth a total of £1.25 billion — would help because they were being counted as negative public expenditure.

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## 24-hour C4 pledges less US shows

Andrew Cull  
Media Correspondent

**C**HANNEL 4 yesterday announced it would begin 24-hour broadcasting from January next year and reduce the number of American imports, as it launched a fight-back against criticism.

Commercial rivals have accused Channel 4 of plunging in the ratings battle.

John Willis, director of programmes, said Channel 4's budget would be increased by 17 per cent from £265 million to £310 million next year.

## Comedian Bob Monkhouse gets the jokes as 'priceless babies' returned

Shaunt Miller

**F**OR Bob Monkhouse, last night could not have been better if he had scooped last week's rollover lottery jackpot himself. After 18 months of anguish and sleepless nights, he was celebrating the return of his "priceless babies" — two man-of-letters containing 30 years of material, which were stolen from a BBC office in July last year.

Disparagingly referred to as the veteran entertainer's joke books, the folders — each stuffed with 200 loose-leaf sheets of dialogue, sketches and ideas — were so precious to Mr Monkhouse that he offered a £10,000 no-questions-

asked reward for their return. Last night they were safely in the hands of police after an operation at the London offices of his agents. A 47-year-old man was being questioned in connection with their disappearance.

In typical fashion, Mr Monkhouse, 68, gushed: "To say I am overjoyed would be understating my mind."

His agent, Peter Pritchard, said he had handed over £10,000 in exchange for the books. "We were approached last week by someone who said the books could be obtained and they would require an amount of money. Obviously I called the police and with their help we arranged a meeting. The books

were returned to us, the money was passed over and the police made an arrest."

The first that Mr Monkhouse, who presents National Lottery Live and a host of other television shows, knew of the operation was when he received a call from Mr Pritchard telling him the folders had been returned. He told Sky News: "My agent told me that my stolen ledgers were back in safe keeping. He just phoned me to say, 'Your babies have flown home. That which you inadvertently set free has returned. They must love you.'"

The news of the theft prompted a spate of Monkhouse gags from the comedian's contemporaries. Stan

Boardman joked: "When they find it, how will they know it's a joke book?"

But it was Jim Bowen who induced most cringes. He said: "I used the book about a year ago when Bob lent it me. It's so old it's written in Latin."

After starting his career at the age of 14 writing gags for the legendary stand-up Max Miller, Bob Monkhouse went on to become synonymous with smarm.

While some hoped that the theft of his books would force him into retirement, he has since won over a new generation of fans with rambling new material on his Bob Monkhouse On the Spot "improvised" programme.

## Gagging

Last time I was in Spain I got through six Jeffrey Archer novels. Well, it's impossible to get Andrew over there.

Dad was a grocer. For the first five years of my life I lived on unsold citrus fruit. If anyone squeezed me I squirted them in the eye.

My wife has no sense of direction. The other night she got so lost she had to phone for an AA man to come and help her — and this was between the bathroom and the bedroom. Well, that was her story.

## Inside

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## University staff protest today

Over the last decade, university staff have created the equivalent of 50 new universities.

Their reward? — a pay cut, which comes on top of 15 years' of pay cuts.

That is why all university staff, from porters to professors, are taking action — with the full backing of the National Union of Students.

In 1979, a civil service principal, an MP, and a mainstream academic earned almost exactly the same. Now, MPs earn £43,000, civil service principals earn £39,324, but academics earn just £26,430.

Since 1982, the pay of university academic and related staff has fallen by nearly 0.5%, while schoolteachers' pay has risen by over 23%, hospital senior registrars' pay by over 23%, and civil service principals' pay by over 22%.

They have pay review bodies. Higher education professionals should have one too.

University staff want a pay review body to deal with their salaries rationally and fairly.

Fairness, not favours. If you share our belief in fair treatment and independent review, please tell us. And tell your MP.

Register your protest by e-mail: <http://www.auf.org.uk/>

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2 NEWS

Sketch

In defence of the right to be wrong



Simon Hoggart

THE Commons yesterday heard one of the finest speeches made there for months. But first, some cheap and meaningless trivia. David Shaw (C, Dover) rose on a point of order to ask whether the Speaker could ban mysterious millionaires from coming into the House to dump envelopes of cash on the Leader of the Opposition's desk. This new piece of sleaze has startled many of us. We had assumed that the teenagers in Mr Blair's office were on work experience. Next, debates on the Firearms Bill — the one which will ban most handguns — began with the "Money Resolution". This indicates that the Queen has agreed to fork out the necessary wonga (not from her own personal stash, of course, she's saving that in case she can still hire Max Clifford as her new press secretary). This normally goes through on the nod, but not yesterday. First we heard Sir Terence Higgins (C, Worthing). Many of us have pondered for years why this distinguished, balding, former Olympic athlete runs the Terence Higgins Trust, a high-profile AIDS charity. I just cannot see him cruising Old Compton Street in leather trousers handing out free "Safe Play" condoms. (A colleague scornfully informs me that the former minister is no relation to the late AIDS victim, Terence Higgins, after whom the trust is named. Sorry.) Sir Terence wanted to know how much money would be spent and who would get it. And it does look like a bottomless pit. The bill will cover "any other loss which may be

incurred as a result of this Act". Then we moved on to the guillotine motion, the one which restricts debate. Jack Straw said Labour would support the guillotine, since it had promised to speed the bill on its way. Next Nicholas Budgen (C, Wolverhampton SW) made the superb speech, one which I found more impressive because I agree with banning handguns and Mr Budgen doesn't. It was one of those occasions when one man is in a small minority and yet forces the entire House to squirm inwardly with the knowledge that he is almost certainly right. He said this was a "bad and even a disgraceful" motion. Guillotines were to prevent filibusters, or to stop an Opposition abusing the House's procedures. "But this is the worst sort, because it is an agreed guillotine, when the House gangs together as a lynch mob, to deprive a substantial number of decent and honourable people of their rights." In the same way that opponents of capital punishment, such as himself, had to tell the parents of murder victims that the rope would not have saved their lost child, members had to find the courage to say to the Dumblane parents, "We understand your feelings and we share your grief, but we wonder whether the solution you put forward is going to have the effect which you hope for." However, MPs know "it would be difficult and unpleasant to disagree with the Dumblane parents, so we say let's throw a bit of money at it". Mr Budgen lacks the lapidary style of his predecessor, Enoch Powell, and sometimes he drifts into the querulous. Yet almost every word wounded. "The Opposition has abandoned its proper role of ensuring a full debate," he concluded, thundering. "There is nothing more tyrannical than an agreed House of Commons." Wherever you stand on guns, Mr Budgen is right.

Review

Mournful echoes of the Bunnies' man

Garth Cartwright

graphed Lightning Seeds recall bank clerks on a night out. Broudie wanders on with his guitar, nods and takes his place on stage looking bemused. Launching into Ready or Not, they are loud and crunchy, a world away from their studio-effect-saturated recordings. Their stoic front man possesses little in the way of enigmatic presence. Broudie said in a recent interview he was "down more than I'm up" and last night he played his songs with a weary worldliness. The hired Seeds earned their wages by playing efficiently. But the lack of a group dynamic emphasises the difference between bands that claw their way out of the garage and those that are paid to play the hits. Broudie is an adroit craftsman, his stirring melodies and mournful vocals suggesting more than the agreeably slight material delivers. If he was a more animated performer, possessed a semblance of Scouse wit or lyrical compassion, he might redeem these songs beyond best-by-numbers. The Lightning Seeds are an effective live unit, and careful pacing of the set, with the hits spun out between the misses, saw the audience enjoying a slick pop machine. This review appeared in later editions yesterday.



A messy succession battle is in prospect at the United Nations headquarters in New York. PHOTOGRAPH: GEORGE HERRINGSHAW

Boutros-Ghali defies US veto

UN secretary-general refuses to go quietly, whatever the cost

Mark Tran in New York

BOUTROS Boutros-Ghali, the secretary-general of the United Nations, last night refused to pull out of the running for a second term in the world's top diplomatic job despite the determination of the United States to veto his candidacy. A messy succession battle was in prospect in a scheduled secret vote of the Security Council, with 13 of the 15 members declaring their support for Mr Boutros-Ghali. Britain alone was non-committal. When the council's position was reported to Mr Boutros-Ghali, he informed it of his intention to proceed with his goal of a second term. "Boutros makes life difficult for everyone," said a Western diplomat. "He's a stubborn, obstinate individual. He's a public servant, not a politician and he should accept the realities of life." At first it was thought he would bow out gracefully after the American move, but his spokesman said he intended to remain a candidate even if that jeopardised another African's chances of winning the post. Even prominent Egyptians have urged their countryman to step aside. "As a friend, I advise Boutros-Ghali to declare without hesitation or sorrow that he does not want to renew his service as secretary-general for the United Nations whether for a full term or half a term," wrote Mohammed Heikal, a confidant of the late

President Nasser. In Egypt's state-run newspaper al-Ahram. After the inevitable US veto the council was initially to consider only African candidates as it is still the continent's "turn". The US issued a veiled warning to African countries to hurry up and produce a list of names, or face the possibility of the job going elsewhere. The US spin on the veto was that it had been forced into confrontation by those countries that had refused to discuss the secretary-general election until now in the mistaken belief that President Clinton would drop his opposition to Mr Boutros-Ghali after the US election. "Those countries that refused to discuss the issue over the last six months have done a disservice to the UN," said an American diplomat. The US has justified its veto on two counts. First, Mr Boutros-Ghali has only implemented reform under duress. But second, and a more serious problem, is his unpopularity on Capitol Hill. The task of getting funding from Congressional Republicans would be made impossible if he stayed on. The US diplomat said that "fairly or unfairly, our Congress has lost confidence in this secretary-general". The Speaker of the House of Representatives, Newt Gingrich, recently indicated a softening of Republican hostility to the UN, though not to Mr Boutros-Ghali. In a speech earlier this month at a fund-raising event, Mr Gingrich said: "We must reform the UN, but then frankly, we're going to have to pay for the UN and that's frankly going to be a challenge. We can't end up as a country totally isolated around the world because people don't understand our policies and don't understand what we're doing."

Express deputy goes in inquest on Fergie biography affair

Andrew Cull Media Correspondent

AN Monk, the deputy editor of the Daily Express, is leaving the newspaper after an inquiry into a stolen biography of the Duchess of York. His wife, Anita Monk, was arrested two weeks ago allegedly trying to sell a copy of Fergie: Her Secret Life, by Alina Starkie. Serialisation rights for the book had been acquired by the Daily Mail, which is in a fierce circulation war with the Express.

Last night sources at the Express said Mr Monk would be leaving by "mutual agreement" later in the week. He was expected to be at his desk as usual today. Last week it emerged that Mrs Monk had been detained on November 1 at Heathrow airport in possession of a pre-publication copy of the unauthorised biography, which the Duchess of York had tried to ban. A second copy was found at her home. She was arrested on suspicion of theft and handling stolen goods and bailed pending further inquiries. A report has been sent to the Crown Prosecution Service. The arrest came the day before the Daily Mail began its £170,000 serialisation of the Starline book. The Express carried many of its revelations as a spoiler, claiming they had appeared in a US magazine. Mrs Monk's arrest came after the Sun newspaper, which had rejected the manuscript, received a call from a woman offering a copy for sale. The Sun contacted the publishers, who alerted the police and set up a "sting" with Sun journalists posing as potential buyers. It is understood the Express is anxious to reach a civilised arrangement with Mr Monk, who joined the paper from the Mail at the beginning of the year. He had insisted editor Richard Addis that he was unaware of his wife's actions. Mr Monk was not available for comment last night. His departure is the latest shock to hit the Express group, which shed 85 journalists and merged staff on the daily and Sunday titles in September.

BBC change was vital, says Yentob

Andrew Cull Media Correspondent

ALAN Yentob, the BBC's director of programmes, last night attempted to end the crisis of confidence in the corporation's management with a powerful defence of director general John Birt's changes. He said there had been no alternative if the BBC "wanted to have a prayer in the 1990s" as it faced the twin threats of a handbagging from Lady Thatcher and Rupert Murdoch's fistful of new channels. "We've had to change, not for the sake of change, but to survive — and we have got to go on changing," Mr Yentob told an audience of leading television executives. "I'm not going to pretend it was easy, or that the BBC instantly got it right." Delivering the first annual Birt lecture in London, he sought to defuse last week's criticism in the Guardian from the Writers Guild of Great Britain that the BBC's distinctive range of programmes would be destroyed under Mr Birt's restructuring. The warning coincided with a staff survey showing 98 per cent of union members unhappy with his management. Mr Yentob defended the creation of separate broadcast and production directorates and urged critics to end the in-fighting. "The BBC doesn't have the luxury — let alone the right — to be divided against itself any more. That statement may sound strange in the light of a reorganisation which some have seen as the dismemberment of the BBC. But in fact the BBC is being cleaved apart so that it can work better as one."

He added: "I know I shouldn't sound too gung-ho. I know that disaffection among BBC staff is still widespread. The process of making economies may have been too dragged out — and the nerves of people worn too thin." But there were more programme-makers than ever and more programmes on the air. He praised the saving of 500 million in five years which have been put back into programmes, reducing summertime repeats by hundreds of hours. Mr Yentob, who was controller of BBC1 until June's shake-up, is now creative leader of the world's largest television production department. BBC Production could build a critical mass of programme-makers. "It has to be the lodestar in our industry for programme-makers to make a living. For BBC programme-makers — not BBC politics, BBC seminars, not even BBC scheduling — programme-making must remain the bedrock."



Alan Yentob: "We have got to go on changing"

Yard foils £65m island scam

Dan Atkinson

SCOTLAND Yard has foiled a scheme that could have bankrupted one of the world's smallest countries through the use of huge IOUs worth a total of \$65 million. Two people have been bailed to appear in court in London next month. Had the 10 IOUs been presented for payment, they would have ruined the Pacific island state of Vanuatu: \$65 million represents nearly five times its annual overseas earnings. Fraud squad officers are thought to have intercepted the "promissory notes" in July, but a fax on September 30 to the squad's London HQ from Vanuatu's then deputy prime minister, Barack Sope, requested the release of the IOUs and the people it had arrested. Mr Sope had, as finance minister, been a signatory to the IOUs in March, along with others including the then prime minister, Maurice Korman. The government was persuaded by an Australian financial consultant, Peter Swanson, who suggested they could be traded on the world market for vast returns. Mr Swanson is on bail in Vanuatu awaiting trial. Mr Sope told Scotland Yard the IOUs had been legally obtained and asked that the charges against the London pair be dropped. He said: "As a result of invest-



gations I am unable to find any wrongdoing and/or misrepresentation." This contradicted the official viewpoint in Vanuatu that the country had been the victim of fraud. Scotland Yard is believed to have refused Mr Sope's request to release the IOUs and documents relating to the case and is thought to have demanded a formal request from the island's attorney-general. Mr Sope was sacked by the prime minister, Serge Vohor, on October 25 when the fax became public. Vanuatu's ombudsman, Marie-Noëlle Ferlexen Patterson, has accused Mr Sope of having attempted, with his fax, to put the documents back on the market. The two people arrested in London — a man aged 47 and a woman aged 41 — are due in court on December 5.

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Stampede for property pushes up prices

# Homes shortage fuels panic buying

Sarah Fyfe

**P**ANIC-STRICKEN house hunters are pushing up property prices in their hurry to buy homes that are in short supply, housing experts say today.

The rush — reminiscent of the 1980s stampede for property — has been caused by a shortage of desirable homes as owners wait for prices to go even higher before putting their houses on the market.

Concern that mortgage lenders will start to lift their rates has fuelled the panic further, according to the Royal Institution of Chartered Surveyors.

RICS' monthly housing snapshot shows that the market in October was more buoyant than in September for the first time for 14 years.

The increase in prices was the 14th monthly rise in a row, the longest unbroken upwards trend since RICS started the survey in 1978.

RICS, whose members include estate agents, immediately tried to dampen down fears of a repeat of the 1980s runaway boom — which collapsed and left hundreds of thousands of households with negative equity.

It urged buyers to hide their time until a new wave of homes comes on to the market in the new year.

The institution's housing market spokesman, Ian Perry, said: "Many potential vendors are waiting for higher prices in 1997, while would-be purchasers become increasingly frustrated by the lack of choice. There are

reports of panic buying in some areas. This is due to a misplaced fear of missing out on a 'property boom'."

This fear led to an unusually strong rise in prices last month. Pressure is especially strong in parts of London, the South-east and the Midlands and that is where panic buying is evident.

Andrew Spittle, a Birmingham-based chartered surveyor, said media hype had prompted prospective buyers to hold back a planned move.

Mr Perry said that the "wait and see" attitude of potential sellers had produced a bottleneck that would eventually ease. The market did not need boosting further by the Chancellor, Kenneth Clarke, in the Budget, he said.

"An expected influx of properties starting in the new year will tend to temper price increases and restore a sense of proportion to the market," he said.

In the meantime, the best advice is to take the time to find the right property.

RICS said mortgage lenders such as the Halifax and Nationwide building societies had not helped the situation by raising the cost of loans after Mr Clarke increased base rates to 6 per cent three weeks ago.

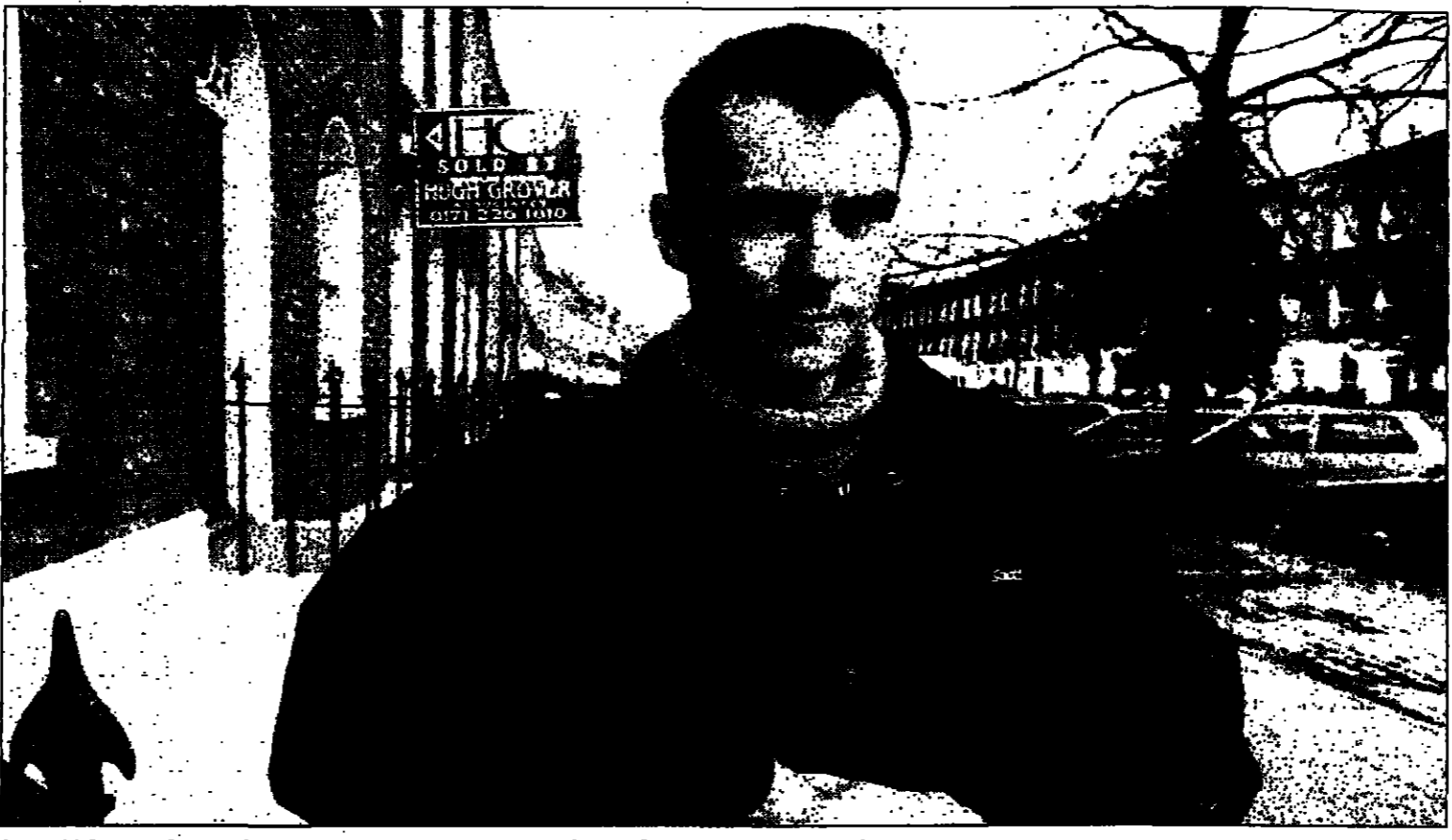
The race to beat the deadline for attractive fixed-rate mortgage offers had fuelled an already buoyant level of demand for property.

Lenders were so desperate to encourage people to buy a year ago that they offered a range of incentives such as cashbacks, but the steady rise in house prices has taken them by surprise.

Until recently, the Halifax was predicting an annual increase of 5 per cent this year but it increased this to 7 per cent two weeks ago.

The survey shows that the market is significantly more buoyant than it was a year ago: 44 per cent more chartered surveyors reported rises than reported no increase, compared with a negative balance of 15.8 per cent last year.

Although desirable property is gaining value and moving quickly in the North of England, general activity and price rises are strongest in London and the South-east.



Peter Wyles may have to let the flat he has bid for back to the vendors until they can find a new property

PHOTOGRAPHS: KIPPA MATTHEWS

Name: Peter Wyles  
Area: Kennington Oval, south London  
Price: £130,000

Looking for: two-bedroom flat  
How long looking: six months

How many properties seen: more than 30  
How many offers: one

History: "We started looking in north London but were offered places outside the areas we wanted to be in. When there was a flat in the right area they were dark and dingy or on busy main roads."

"We got disillusioned and started looking south of the river as well but it seems to be just as difficult."

"When we did find a place, four other buyers offered at least the asking price and we have just gone through sealed bids."

"The vendors cannot find anywhere to buy and we've been told that we would have to wait until at least March to move or even be prepared to let the flat to them until they can get somewhere."



Fiona Hall almost lost out when the chain ground to a halt

Name: Fiona Hall  
Area: Brighton, West Sussex  
Price: £150,000-£240,000

How long looking: five months  
Properties seen: 15

History: "I found one in the local paper, but the lady said she had accepted an offer. I made an offer and she decided I was a good bet. I have children so I had to move before the start of term, but the chain came to a standstill. I waited 10 days and I thought I'd lost it. It's the sort of a cash buyer would go for and they were about to put it back on the market. But I rang everybody in the chain and managed to get to the point of exchange."



A tip-off from the agent ended Sam Cartmell's frustration

Name: Sam Cartmell  
Area: Camden and Islington, north London  
Price: £150,000

How long looking: 1 year  
Number of houses/flats seen: more than 50  
Number of offers made: two

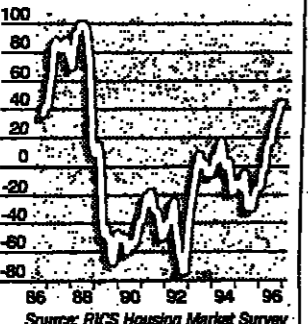
First unsuccessful offer: "There were six others going for the property. They were asking for sealed bids within a day. We wanted more time."

History: "Every time we saw something we liked it had already gone, for more than the asking price."

Successful offer: "We got a tip-off from the agent before the property went on their list."

## Housing market

Net balance of surveyors reporting price rise against price fall



Source: RICS Housing Market Survey

### 'It looked spookily familiar. She suddenly realised she had seen the same house 18 months ago. The price had risen by £120,000'

#### Bidding wars and gazumping are back, says Clare Longrigg

**T**HE WIND whips through the open windows, blowing up plastic sheeting and rattling the aluminium ladder. Uneven, bare floorboards are covered in broken tiles and bent nails. Four people pick their way over the rubble.

"It's my ideal home."  
"Yes, I can just see you in here."  
This three-storey, two-bedroom house in north London is not for sale — yet. It is in the process of being converted and will not be ready for a couple of months. But the shortage of property of

this kind is so acute that prospective buyers are sneaking in for a preview. They are afraid that, if they wait until it goes on the market, someone else will snap it up.

In desperation, she has started prowling round unfinished conversions to get her bid in before they go on the estate agents' books.

And prices are going up. The bottleneck has forced rises from 7 per cent to as much as 30 per cent, and the result is a return to 1980s-style property obsession, bidding wars, and the dreaded gazumping.

agents nudge the price up by calling the buyer and saying, "We've just had an offer in of a thousand more than yours," says a London developer.

The shortage of property means buyers are desperate. You can walk into an estate agent and, instead of walking out with a bundle of details to study, you will simply be told there is nothing for you to look at.

There are several reasons for the pile-up of prospective buyers. The market used to regulate itself in cycles: every five years or so, first-time buyers moved up to larger flats or houses and people starting families needed bigger places with gardens.

SIX years later, with interest rates at a new low, a thaw began creeping across the country. It started in London and the South-East but spread to other areas, including the South-West and the West Midlands, where prices are beginning to rise again.

no longer attracting young hopefuls. "First-time buyers are returning but they're looking much higher up the market than before," said Paul Sanderson of Nationwide Building Society.

Under difficult conditions, estate agents are under intense pressure. "Everyone in my area gets a flyer through the door saying: 'There's a lot of interest in your area, we've sold a lot of properties,'" says James Wilcox, of Fulham, west London. "We get so many it's unbelievable."

petitors on our doorstep: we have to get an edge," says Charles Webb, owner of Camden Bus estate agents. "We send chocolates with our mailshot now, with a six-page letter listing 101 reasons why you should choose us."

A visit to several north London estate agents on a Saturday morning drew a blank. "It's dire out there," said one, handing over a thin flat list. "There were three two-bedroom flats on the market at around £120,000. Every one of them had already gone."



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Jessie Hurlstone at a county fair with Jimmy Frost and her killer Stephen Webber, right, who was jailed for life yesterday after being convicted of a 'terrible act of revenge'

# Life for farmworker in fatal attraction

Geoffrey Gibbs on obsession with stable girl that led to murder by 'lonely man who found relationships difficult'

**A**N OBSESSED farm worker who bludgeoned a stable girl to death with an iron hook because he couldn't bear to see her with another man was jailed for life yesterday after being convicted of murder.

Stephen Webber, described in court as a lonely man who found relationships with women difficult, showed no emotion as the jury at Exeter crown court gave its unanimous verdict after 2½ hours' deliberation.

Passing sentence at the end of the five-day trial, Mr Justice Roughton told Webber that however Jessie Hurlstone had treated him, it was no excuse or mitigation for a terrible act of revenge.

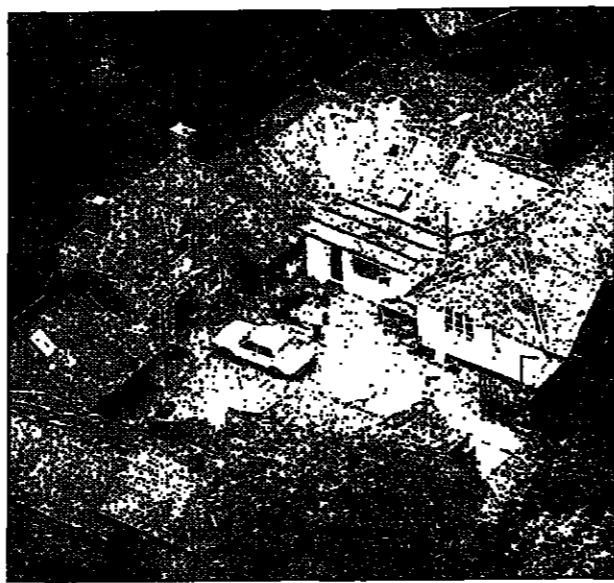
"However a retiring a person you may have been normally, the very fact of this terrible killing shows there must be in you a capacity for quite horrible violence."

Ms Hurlstone, who was 27 when she died under a hall of blows to the head and body in October last year, had moved to Devon from her home in Romford, Essex, in 1991 to work at the stables of leading national hunt trainer Richard Frost on the edge of Dartmoor.

She was devoted to horses, and lived in a caravan at the stables with her four cats and a dog.

The Frosts and their Grand National-winning son, Jimmy, found her a good worker at Hawson Stables, a secluded property set in the heavily wooded grounds of a mansion built by a Victorian stockbroker three miles from Buckfastleigh.

Ms Hurlstone met Webber a



Hawson Stables, where Jessie Hurlstone was killed

couple of years after her arrival in Devon. She was to become the object of a fatal obsession after she started seeing a divorcee in the two weeks before her death.

Webber, who began suffering from epileptic type fits during his late teens, found close relationships with women difficult. When an affair with a married woman

broke up he had to be taken to hospital to have his stomach pumped out after being found with an empty bottle of pills beside him.

Webber formed a strong attachment for the stable girl 10 years his junior, running around after her "like a puppy dog" and showering her with presents including a pony, jewellery and a pedigree cat.

It emerged in court he had even made out a will leaving his bungalow to her upon his death.

Apart from one occasion when they went to bed at his bungalow half a mile from the stables it was not, according to Webber's evidence, a sexual relationship.

He told the court that he and Ms Hurlstone realised that going to bed was a mistake. But she cut him dead in front of friends when he visited Hawson Stables, and his infatuation turned to obsession when she started seeing Buckfastleigh divorcee Jim Pearce. On two occasions he told Jimmy Frost and another visitor to the stables that he would kill Ms Hurlstone if she had another man. On the night of her death, she had gone with Mr Pearce to the White Hart pub in Buckfastleigh.

He said she seemed nervous and during the evening drew his attention to a man who walked past the pub several times. It was the same person he had seen outside his home earlier that week when Ms Hurlstone had come to his house where they had had sex. She returned to Hawson Stables at around 11 pm that Friday and made the unusual request for Richard Frost to walk her to her caravan, where her body was discovered eight hours later by another stable girl.

She suffered at least 30 blows to her head, arms and shoulders.

The iron hook — used for loading silage bales on to a tractor — was recovered from a farm slurry pit. Webber's blood-stained clothing was found dumped in a hedge. Webber, who admitted killing Ms Hurlstone but said he had no memory of striking her, told police he had gone to the caravan to teach her a lesson.

# Mystery of arms sales to Rwanda

Christopher Elliott and Richard Norton-Taylor

**O**NE of the men who has allegedly acted for the British arms company that supplied £3.3 million worth of arms to former Rwandan Hutu soldiers during the massacre of 800,000 Tutsis disappeared from his London home yesterday.

Anoop Vidyarthi told shopkeepers next to his office at a travel company in Hendon that he was "going away for a few days."

Mr Vidyarthi was named as someone who had set up administration facilities for the Mil-Tec Corporation. Dozens of Mil-Tec documents detailing the arms shipments, addressed to the Rwandan Ministry of Defence, were found in the last few days near a former refugee camp 18 miles east of Goma.

While ministers last night were pressed for a government statement, and the shadow foreign secretary, Robin Cook, was claiming the shipments exposed a loophole in the law, the hunt was on for the men behind the company which supplied the weapons.

There is no evidence to show that Mr Vidyarthi was involved in these arms deals. His detached home is 300 yards from his offices at the firm of Travelour. He was seen early yesterday morning but left for a trip soon after.

There was no better luck contacting the Mil-Tec Corporation. A company search on the Isle of Man shows it was set up as a shell company in February 1993 by BDO Binder in Douglas, the Isle of Man. The named director then was John David Clarke, but he resigned four months later.

The documents, details of which were published in the Times and on the BBC yesterday, include a letter asking the exiled Rwandan government's "minister of defence" to pay debts totalling \$1.56 million (£1.18 million) and details arms shipments, in voices and air bills. It reads: "We have supplied your ministry for more than five years... you will realise that we have gone out of our way to assist your ministry in times of need."

The letter and all the other documents are said to bear the same signature.

# CPS staff demoralised by red tape, poll shows

Claire Dyer Legal Correspondent

**D**EMORALISED Crown Prosecution Service lawyers believe management changes and too much bureaucracy are threatening the standards of the service, according to a poll published yesterday.

The survey, carried out by MORI for the First Division Association, the senior civil servants' union, paints a picture of widespread job dissatisfaction.

The service has been plagued by low morale. CPS lawyers in the union passed a resolution earlier this year expressing "loss of confidence" in their management. Nine out of 10 respondents to the MORI survey said the service had got worse since they

joined, and 70 per cent said it was a below average or "one of the worst" places to work. MORI said these were the worst scores it had found in either the public or private sector in Britain.

Three out of four said a recent management shake-up by the Director of Public Prosecutions, Barbara Mills, had reduced professionalism and the quality of service.

Elizabeth Symons, the FDA's general secretary, said: "This survey raises serious doubts about both the culture and organisation of the CPS."

The results mirror an unpublished survey of all 6,571 CPS staff undertaken by Mrs Mills, which found nearly 60 per cent believed the organisation was not giving a high quality service.

The MORI poll of 1,347 FDA members in the CPS reveals a

wide communication gap between lawyers and management. One per cent said they were kept fully informed by headquarters. More than 40 per cent "seldom or never" believed information from headquarters.

Nine out of 10 felt that disagreeing with management could damage their career prospects. Nearly seven out of 10 were dissatisfied with their jobs and 53 per cent wanted to leave.

Toeing the line, being secretive and using intimidation were seen as ways of getting ahead in the CPS.

Mrs Mills said: "The FDA survey represents only 12 per cent of staff. These issues will be addressed when drawing up our plans for the future."

When Justice takes a walk, **Q2** cover story

# Bainbridge vs Swift again in book prize shortlist

Claire Longrigg

**B**ERYL Bainbridge has been shortlisted for the Whitbread novel award in a literary rematch against the novelist who beat her to this year's Booker prize.

Ms Bainbridge's novel, Every Man for Himself, set aboard the Titanic, has once again been drawn against the Booker winner, Graham Swift's Last Orders.

She won the Whitbread award in 1977 with Injury Time, but has had four unsuccessful Booker nominations.

Bill Buford, New Yorker literary editor, tipped Patrick McGrath's Asylum as "the dark horse" for the Whitbread novel award.

Neil Bartlett has been shortlisted for his second novel, Mr Clive & Mr Page,



Beryl Bainbridge... another chance for 'Titanic' tale about a man's attempt to link two events 100 years apart. J G Ballard, recently swept

up in the furor over the sadistic film of his novel Crash, is on the list with Cocaine Nights, a thriller.

Reading in the Dark, by Northern Irish author Seamus Deane, a strong contender for the Booker prize, has been nominated in the first novel category.

Seamus Heaney, winner of the 1995 Nobel Prize for Literature, is listed for the poetry prize for The Spirit Level.

In the biography section, the life of Thomas Cranmer, by Diarmaid MacCulloch, is drawn against Flora Fraser's account of Queen Caroline's life. Also listed are biographies of Samuel Beckett, by James Knowlson, and George Eliot, by Rosemary Ashton.

The winners of the four categories compete for the Whitbread £21,000 Book of the Year prize, announced in January.

# Transport union leader takes issue with Isle of Man chiefs over poll

David Ward covers the election campaign on an island without problems, or so its ministers are claiming

**ISSUES** What issues? As the Isle of Man's 53,000 voters prepare to go to the polls on Thursday, the chief minister considers what he has been hearing on the doorstep.

"I have never experienced an election such as this where people have raised so few issues," he says in his tidy office on the third floor of Government Buildings in Douglas.

Miles Walker is retiring after 10 years in the top job, but hopes to stay on as one of the 24 members of the House of Keys, the lower house of Tynwald, the world's oldest parliament.

He has steered the island through a change to a more executive style of government and feels he has done a pretty good job. The absence of issues is not a sign of apathy

but of contentment. "Housing is pretty good, salaries are slowly increasing, anyone who wants a job can have one," he says proudly.

Two floors down, Donald Goring, finance minister and Mr Walker's favoured successor, agrees. The fact that this time there are just 51 candidates for 24 seats compared with 80 in the 1991 election means the people think not a lot remains to be done to preserve a deeply conservative island's values, way of life and economic stability.

Both ministers imply that the consensus which underpins a parliamentary system with no political parties has spread to an electorate at ease with itself.

Across the road, Bernard Moffatt, district secretary of the Transport and General Workers' Union, hits the roof. "Miles Walker is so calm and complacent, Donald Gelling is so pompous; I worry that their complacency will backfire on the island."

The absence of issues was a sign of weary resignation, not content. "We have a two-tier society that did not exist before. Working people are treated deplorably here, and the government has imported flawed employment legislation from the UK. There is a solid body of people out there living hand to mouth in a society that's awash with

money." Douglas is awash with banks; the finance sector, says Mr Gelling, brings in 36 per cent of the island's income, but employs only 20 per cent of its people.

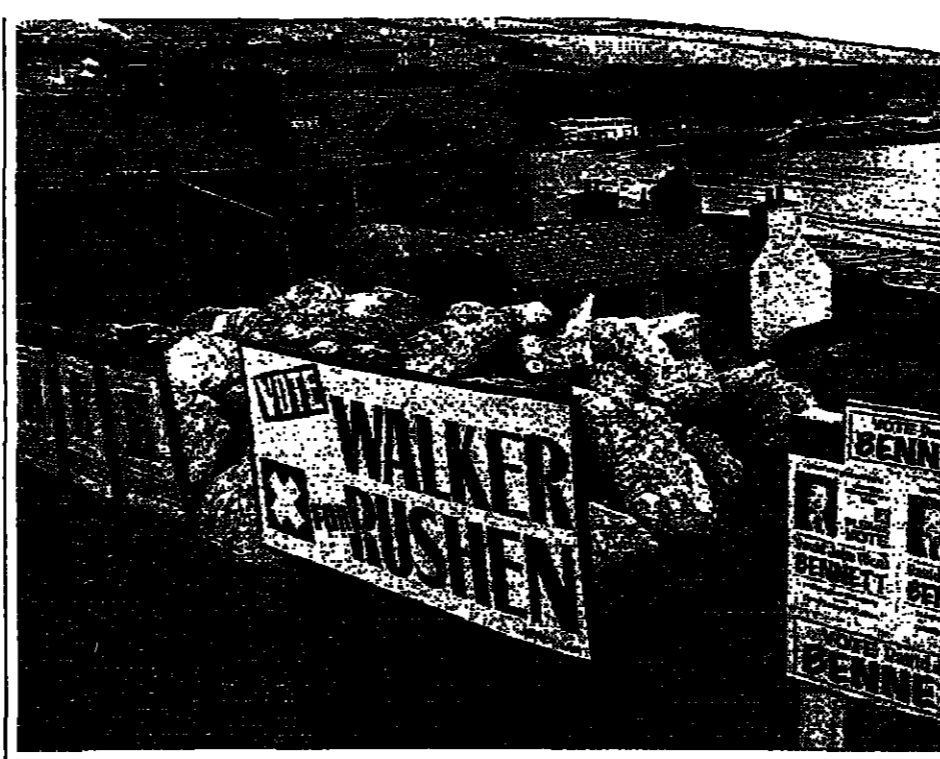
Across the island in Peel shops seem to be closing as fast as they are in Britain. Two mothers walking with their children say there should be more houses for rent. They cannot afford to take advantage of the government's cheap homes or mortgage deals.

Voters at crowded public meetings in rural Andreas keep talking for 90 minutes, and for almost three hours in suburban Onchan, which, although close to Douglas, seems more obsessed with the parish pump, hobbies on the beat and teenagers on the streets.

Both meetings chew over law and order, drugs, the high cost of fuel, the sewage scheme called Iris, the incinerator, the new hospital, but the first question at Andreas is about independence, the final severing of this Crown dependency's links with the UK.

A few on the island promote the idea because they are nationalists and cry out for freedom. Others fancy the idea if their wallets will benefit.

Back in their respective offices, Mr Walker and Mr Gelling prefer to talk of auton-



Seaside hustings: Election fever reaches Port Erin on the west coast.

omy. "I don't think we are constitutionally or economically strong enough to seek independence," says the chief minister.

Mr Moffatt hits the roof

again. "They are political cowards who like the trappings of an independent legislative system of which I as a Manxman am very proud. But they haven't got the guts to

take the final step to independence."

Mr Moffatt dismisses the Alternative Policy Group, a coalition of cautious independents in the House of Keys, as

a Dad's Army of political malcontents. "If Edgar Quine [its leader] gets to be chief minister most Manx people will apply for visas to live in Hong Kong."

## Island facts

- Tynwald consists of the House of Keys and the Legislative Council, a non-elected revising chamber.
- All 24 seats in the House of Keys are contested on the third Thursday in November every five years.
- Elections used to last for a week; in more recent times voting was spread over two days because of a shortage of ballot boxes.
- Some Manx constituencies, called electorates, return three members to the House of Keys. Others return one or two.
- Most MEPs (members of the House of Keys) sit as independents. There is no government and opposition.
- The Isle of Man Labour Party is more than 100 years old but has no links with its British counterpart.
- The basic rate of income tax is 16 per cent, rising to 20 per cent.
- Douglas boast a Marks & Spencer store and statues of Norman Wisdom (sitting on a bench) and George Formby (leaning on a lamp post).
- An Isle of Man manufacturer supplies 70 per cent of the world's demand for electric kettle thermostats.

£250,000 claim football

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Stuart Millar on a soccer injury's consequences

£250,000 claim by footballer

FORMER Stockport County footballer lost everything when his dream career was ended by a "reckless" tackle, the High Court heard yesterday. Brian McCord, aged 28, is suing Swansea City and its then club captain, John Cornforth, for damages approaching £250,000 for pain and injury and loss of income. The court heard the midfielder was left with "horrible" injuries to his right leg after the tackle 20 minutes into a match on March 5, 1993, as he prepared to clear a ball from his own goal area. The leg was fractured in two places. The tackle was not treated as a foul by the referee. Mr McCord told Mr Justice Kennedy the ball had been on the ground and he had entered into the challenge assuming it would be a simple block tackle when two players arrive at the same time. "My sole intention was to play the ball... I never took my eye off the ball. I saw Mr Cornforth approach me, and made contact with the ball his leg was raised above the ball, and the next thing I knew I looked down and saw a grossly deformed right leg. He added: "I can't really describe the pain. I have never been through anything like it before." He had wanted to be a professional footballer ever since he could remember, but since the incident had been unable to return to the game. "My career meant everything to me. It was the only thing I have ever wanted to do. I don't think there has been a day when I don't think about



Brian McCord is stretchered off after the 1993 incident at Swansea which led to the current hearing PHOTOGRAPH: IAN KENNEDY

Precedents for tackling your opponent in court



Paul Elliott: lost his claim for damages

Jim Brown (Dunfermline) Set legal precedent in Scotland in 1982 when he sued John Pelosi of St Johnstone after suffering compound fracture. Verdict: Settled out of court for £20,000. Ian Durrant (Rangers) Sued Neil Simpson of Aberdeen for £2 million for tackle which tore ligaments in his right knee in 1988, forcing him out of game for three years. Verdict: Settled out of court for undisclosed sum. John Uzzell (Torquay) Sued Gary Blissett of Brentford for damages after aerial collision in 1991 left

him with a fractured cheekbone and eye socket and forced him to retire. Verdict: Blissett found not guilty of causing GBH. Later settled out of court. Paul Elliott (Chelsea) Sued Dean Saunders of Liverpool for damages in excess of £1 million after being forced out of game by challenge in 1992. Verdict: Lost his case. John O'Neill (Norwich) Sued John Fashanu, then of Wimbledon, for £300,000 damages for negligence and assault arising out of challenge in 1987. Verdict: Settled out of court for £70,000 in 1994.



John Uzzell: won an out of court settlement

News in brief

RUC foils suspected IRA bomb attack

POLICE in Londonderry said yesterday they believed they foiled an IRA bomb attack planned for the Springtown-Groarty Road area north west of the city, a mile from the border with Donegal. RUC inspector Norman Hamill said detonating equipment was found after "suspicious activity" in the area at the weekend. He said it had "all the hallmarks of a landmine attack". The most likely target would have been a police or army patrol, Mr Hamill said. Two men were arrested early yesterday and were being questioned in connection with terrorist activity in the area. The find came a few hours after the SDLP leader and MP for Foyle, John Hume, said he hoped there would be another IRA ceasefire but that he had no evidence that one was imminent. — David Sharrock

Patients 'hate' mixed wards

A FORMER health official responsible for defending the use of mixed-sex hospital wards yesterday admitted that patients hated them. John Shaw, until this year director of corporate affairs for the NHS executive, said the Department of Health was starting to buckle under mounting pressure to phase out mixed-sex wards. He was speaking at the relaunch of the Patients' Association, a health pressure group, which is calling for all ordinary hospital wards to be single sex by the end of October 1998. The only exception would be intensive therapy units. — David Brindle

Viscount Weymouth

A REPORT supplied by the Press Association and published in the Guardian on November 15 under the headline "Grief blamed by viscount for drink driving" wrongly stated that in court Viscount Weymouth was "said to be unemployed and living on £45 per week benefit". The court was not told that he was unemployed or claiming benefit but that he has a private income and was not working. The Press Association and the Guardian apologise for this error.

£77,446 for discrimination

A PROTESTANT was awarded record compensation of £77,446 yesterday after an employment tribunal ruled he was a victim of religious and political discrimination. The complainant, whose name was withheld, had been a senior executive with 25 years' service with the dairy manufacturer Leckpatrick when it was taken over by Golden Vale — based in Cork in the Irish Republic — in July 1993. His application for another post was not acknowledged, and he saw other Protestant managers removed. Shortly before Northern Ireland's Fair Employment Tribunal when it was taken over by Golden Vale — based in Cork in the Irish Republic — in July 1993. His application for another post was not acknowledged, and he saw other Protestant managers removed. Shortly before Northern Ireland's Fair Employment Tribunal when it was taken over by Golden Vale — based in Cork in the Irish Republic — in July 1993. His application for another post was not acknowledged, and he saw other Protestant managers removed. — David Sharrock

Call for openness on CJD

THE brother of a man who died from CJD — the human disease linked to mad cow disease — yesterday joined doctors and public health officials in condemning secrecy surrounding the Government's handling of the controversy. Gerard Callaghan, whose 30-year-old brother Maurice died in Belfast last year, called on ministers to publish the advice they received from the Spongiform Encephalopathy Advisory Committee (Seac). "This advice has formed the basis for policy deliberations. We should be able to see the conclusions that the committee drew, and the evidence on which these were based," he told a conference, BSE: A Sickness of Government? sponsored by Charter 88 and the Freedom of Information Campaign. — Richard Norton-Taylor

Landscape to be restored

PART of an English millionaire's fortune is to be ploughed into restoring a Highland landscape immortalised by the Victorian artist Sir Edwin Landseer. The Will Woodlands conservation trust yesterday unveiled a plan to return a quarter of its 42,000 acres to the romantic woodland that thrilled 19th century art collectors. The trust was established in 1994 by the Essex-based widow of a sand and gravel pit owner who sold up in 1990 for £114 million. The project will take 100 years to complete. — Eriand Clouston

Second award for journalist

DAVID Brindle of the Guardian was Journalist of the Year runner up in the first British Social Services media awards announced yesterday. His reports in the Guardian were described as balanced, concise, clear and hard-hitting. This was his second award this year having already won the Mind Mental Health Journalist of the Year.

Confidential police files dumped

Peter Hetherington

NORTHUMBRIA police yesterday launched an inquiry to determine how hundreds of its files detailing information about suspects and witnesses in scores of crimes during the 1980s were found dumped on a lane in Newcastle upon Tyne. David Mellish, acting chief

constable of the force, told the head of his complaints division to investigate security as a local MP called for an explanation. Some of the files contained details of the investigation into the murder of the Northumbrian schoolgirl Susan Maxwell who disappeared from her home in Cornhill-on-Tweed 14 years ago. Robert Black was eventually jailed

for her murder and those of two other young girls. Others contain criminal records of people in the north-west of Newcastle, as well as witness statements relating to many investigations. The man, who found the documents, near a working men's club in the Westerhope area of the city, discovered his own juvenile criminal records. "If a criminal decided

to take revenge on a person who had given a statement about them, they'd know exactly where to go," he said. "I am amazed that the addresses of witnesses could end up lying by the road like this." Newcastle North MP Doug Henderson, a shadow Home Office minister, said that some people, particularly witnesses, could be put in danger.

Jurors' request for dictionary leaves libel judge lost for words

Luka Harding

IN THE neo-Gothic splendour of Court 13, Mr Justice French professed himself rather baffled. "It is a situation which in my experience is entirely new." Six weeks after a jury was sworn in to decide whether the former Irish prime minister Albert Reynolds had been libelled by the Sunday Times, and four days after the jurors were sent out to consider their verdict, the foreman returned with a request for a dictionary. The demand was the latest twist in the court battle hit by "the curse of Court 13." Albert Reynolds sued the paper over an article in November 1994 which accused him of lying to the Dail, the Irish parliament, and misleading his coal-

tion cabinet colleagues. The case was listed for five weeks at the High Court. But a juror fell ill, and the mother of another was struck down with gallstones. Proceedings were delayed for another two days. The remaining jurors were sent out to consider their verdict last Thursday. But yesterday they asked for a dictionary to help them tell the difference between a "fib" and a "lie". Mr Justice French refused their request. "The meaning of the words are a matter for you. Both words are contained in the article and must be read in that context." But the jurors still failed to agree and were sent out to spend a fifth night in a hotel. The newspaper denies libel, pleading qualified privilege and justification.

Advertisement for Halifax savers. Text: "A LITTLE EXTRA HELP FOR OUR SAVERS." "Up to 10.50% Gross p.a." "There's great news for savers with the Halifax. We've recently improved the rates on our Stepped Income Reserve and Guaranteed Reserve accounts, giving you a greater choice of higher returns." "With these accounts you can opt for an income which is guaranteed to rise over 5 years, or you can choose to fix your rate from 6 months to up to 3 years, so you'll know exactly how much money you're making, now and in the future." "For further details call into your local Halifax branch. When you save with the Halifax, we'll give you all the help you need." Includes Halifax logo and "Get a little extra help."

Advertisement for a legal firm. Text: "The Reverend Keith Phillips has a problem. As the chairman of the 90 magistrates who serve the valleys of South Wales, he struggles to support the rule of law among communities ravaged by the death of the coal industry. Time after time he is forced to stand back while alleged offenders walk free from his court." Includes a large arrow graphic pointing right.

Advertisement for Eagle Star insurance. Text: "Local Mini Cabs FREE PHONE 0800-21-31-44 (We pay for your call) CARS BIKES VANS" "OR insure with Eagle Star and get a free courtesy car after an accident." "Interested? Call 0800 333 800" Includes Eagle Star logo and "Direct" text.

\*INTEREST WILL BE PAID NET (THIS MEANS AFTER WE HAVE TAKEN OFF LOWER RATE INCOME TAX, CURRENTLY 20%) UNLESS YOU HAVE COMPLETED A REGISTRATION FORM OR MADE A DECLARATION TO COMPLY WITH HM AND REVENUE REGULATIONS. THE RATE SHOWN APPLIES TO BALANCES OF £10,000 PLUS IF YOU HAVE YOUR INTEREST PAID ANNUALLY ON BOTH ACCOUNTS MONTHLY INTEREST IS AVAILABLE AT SLIGHTLY LOWER RATE. AND THE MINIMUM DEPOSIT IS £1,000. ON STEPPED INCOME RESERVE ACCOUNTS INTEREST CANNOT BE TAKEN AT LEAST 30 DAYS INTEREST IS CALCULATED AT 5.5% GROSS A YEAR. NO OTHER WITHDRAWALS ARE ALLOWED. ON GUARANTEED RESERVE ACCOUNTS EARLY CLOSURE AS A TIME DEPOSIT SUBJECT TO A LOSS OF AT LEAST 30 DAYS INTEREST CALCULATED AT THE SAME RATE AT WHICH INTEREST IS PAID. CLOSURE IS ALLOWED AFTER 90 DAYS UNLESS YOUR ACCOUNT QUALIFIES AS A TIME DEPOSIT SUBJECT TO A LOSS OF AT LEAST 30 DAYS INTEREST CALCULATED AT THE SAME RATE AT WHICH INTEREST IS PAID. ON YOUR ACCOUNT. NO OTHER WITHDRAWALS ARE ALLOWED. FULL DETAILS ARE AVAILABLE AT ANY HALIFAX BRANCH OR HALIFAX BUILDING SOCIETY, TWENTY ROAD, HALIFAX, WEST YORKSHIRE HX1 2EG.

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Berlin is broke. From the shipyards of the Baltic coast to the industrial wastelands of the south-east, eastern German growth is lagging. Alienation festers between the 'interlopers and carpetbaggers' of the west and the 'whingers' in the east. Seven years after the Wall fell, the euphoria which greeted Helmut Kohl's pan-German script has evaporated — and harsh economic reality is biting

In the second of a series on Germany, Ian Traynor in Bonn examines how the high hopes of unification foundered



The optimism so evident in unification celebrations in 1990 (left) has soured for many east Germans, with one in four facing unemployment PHOTOGRAPHS: SERGE AITAL AND THOMAS HOPKIN

# One people divided by a false dawn



**A** YOUNG east German steps on to the balcony of her flat by the banks of the Rhine and peers across the river to the high-rise temple of German democracy. She bows mockingly towards the offices of the country's 572 MPs and intones: "Thank you, Helmut Kohl!" She was once an avid communist, a party youth

activist, in Cottbus in the east. She has successfully made the move west and has a modest flat in Bonn, a decent salary and a job with a media company. East Germans see themselves as losers in the lottery of unification: she is one of the few winners. For most of the other 17 million in the five east German states, the euphoria of the turn of the decade which filled the skies over Berlin and Leipzig with cries of "We are one people, one country" has evaporated. What was being billed a few years ago as the east German success story has turned sour. Seven years after the Berlin Wall fell — and after a colossal 1,000 billion marks have been pumped into the east — its economic growth will be

lower than western levels for the first time next year. "The transfers have not been able to put the east German economy on a self-sustaining growth path," says Thomas Mayer, chief economist at Goldman Sachs in Frankfurt. "They've been used mainly to fund consumption and to kick-start the construction sector, which is now falling." **B**ERLIN itself is no longer physically divided but with alienation between its eastern and western sections all-pervasive. From the rusting shipyards

of the Baltic coast to the industrial wastelands of the south-east, the picture is grim. And people are gloomy. Franz Schuster, economics minister of the eastern state of Thuringia, verges on panic as he describes the crises and problems piling on his desk. "The economic recovery has stopped here," he says. "We're stuck in a downward spiral that means 25 per cent of our firms could be threatened with closure over the next year. And you have to ask how long will people continue to accept the need for renewal and reform?" Real, as opposed to official, unemployment means that one in four east Germans will be out of work next year, according to last week's report by a panel of economic advisers to the government.

This is not the way things were supposed to be. The pan-German script penned by Chancellor Kohl in 1990 infamously looked forward to "flourishing landscapes" in east Germany within five years, suggesting that a few years of hard graft would seamlessly knit the two parts of the country together. The subsidies and investment would trigger an east German boom which in turn would feed into west German growth. Instead, politicians and analysts now admit it will take at least a generation — perhaps 70 years — for standards of living to become level, if they ever do. "You can no longer speak of an economic equalisation, but of a widening discrepancy between east and west," says Wolfgang Thierse, deputy

chairman of the opposition Social Democrats, and himself an east German. This is not just the opposition berating Mr Kohl. The chancellor's conservative supporters at the influential Frankfurt Allgemeine Zeitung talked wistfully this month of Germany's economic unification being the "most expensive disaster since the war." **M**EANWHILE, west Germans increasingly resent paying a 7.5 per cent tax surcharge to fund the east, and view easterners as whingers and subsidy junkies. The tax is called the "solidarity surcharge." Increasingly, this is a misnomer. For their part, east Ger-

mans hate being patronised by the westerners, whom they view as interlopers and carpetbaggers who have hijacked their country and culture. Politically and diplomatically, German unification was an undiluted triumph for Mr Kohl. He secured George Bush's unstinting support, paid off Mikhail Gorbachev, brushed off Margaret Thatcher's hostility and François Mitterrand's reservations, and ignored Polish and Dutch objections. But however formidable his talents as a politician, Mr Kohl's strong suit is not economics. His one-to-one fusion of the two German currencies in 1990, over the heads of Bundesbank opposition, was a political imperative and a huge economic liability. Six years on, the result is

that eastern Germany is probably the most expensive manufacturing venue in the world, lagging well behind its post-communist Polish and Czech neighbours in growth and optimism. "West German unit labour costs already top the league table of industrialised countries and in the east the unit labour costs are 30-50 points higher because of the productivity gap," says Mr Mayer. "That means nobody invests in the east to make profits, but to get subsidies." On her Bonn balcony, the former eastern communist looks west as she takes in her view of the Bundestag. She has no plans to go back to Cottbus any-time soon. **Tomorrow: A nation of neurotics?**

## Tactical voting contains National Front

Paul Webster reports from Paris on how Le Pen was prevented from taking Dreux

**S**IGNS THAT the tide may at last be turning against the racist National Front have been confirmed in municipal elections at Dreux, the town that signalled the first electoral breakthrough by the extremist movement 18 years ago. Jean-Marie Le Pen's

party has made Dreux, a market town west of Paris, twinned with Evesham, the spearhead of its racist crusade since its former deputy leader, Jean-Pierre Stirbois, won 16 per cent of the vote in 1983 council elections. He formed an alliance with the Gaullist RPR to oust the Socialists and was appointed assistant mayor.

In 1981, the National Front's average vote in parliamentary elections was only 0.35 per cent but the Socialist president, François Mitterrand, ordered state television to give Mr Le Pen air time as part of a strategy to weaken the traditional right. The president then introduced PR for parliamentary voting enabling the Front to win 35 seats — all but one of which it lost when the Gaullists changed voting rules in 1988.

Although Mr Stirbois's widow, Marie-France Stirbois, the Front's only MP between 1988 and 1993, scored a record 36.4 per cent of Sunday's first round vote at Dreux, after a campaign in which Mr Le Pen played a leading part, Gaullists and Socialists also saw a big leap in support.

### Oxfam

Continuing crisis in Central Africa

The return of refugees from Zaire is one of the greatest movements of people the world has ever seen. Oxfam is providing water for the hundreds of thousands on the road home. An uncertain future awaits them. Worse news is that hundreds of thousands of Zaireans and Rwandans are still unaccounted for in Zaire. They are without clean water and at risk from disease. Cholera has already claimed lives. The situation changes by the hour, but Oxfam is ready to help these people. Your donation will help to provide the first wave of emergency aid — clean water, sanitation and shelter. You can help to save lives. Please, give a donation today.

by credit card 01865 312231  
Yes, I want to help Oxfam's work in Central Africa. Here is my donation of:  
£25  £50  £100  £250  £  
Mr, Mrs, Miss, Ms  
Address  
Postcode  
Please send to: Oxfam, Room BA09, FREEPOST, Oxford OX2 7BR.  
Oxfam United Kingdom and Ireland is a member of Oxfam International.  
Registered Charity No. 202292

'Dreux will not become France's fourth town of shame'

promise to consult the left when making decisions. "For the past ten years, the National Front has progressed and now we have finally contained their advance," Mr Hamel said. "Before he was made a judge in Dreux, we had expected a 50 per cent poll, had rallied only an extra 80 voters compared to her 1994 score. Dreux will not become France's fourth town of shame," he said, referring to the National Front's victories in Toulon, Orange

The Socialist candidate, Maurice Ravennne, who scored 24.6 per cent, will stand down for next Sunday's second round after running third to his Gaullist rival, Gerard Hamel (34.7 per cent), the outgoing mayor forced to resign earlier this year for technical reasons. Mr Ravennne has asked Socialists and Communists to vote for Mr Hamel in the run-off after a

and Marignane in the 1994 municipal polling. The National Front was hoping to recover from a recent setback in a preliminary by-election in the Marseilles suburb of Gardanne, where a Communist was elected after support from rightwing candidates defeated in the first round. This showed a new readiness by orthodox movements to call for votes across party lines for any candidate in a position to beat the Front.

## Police past of judge who banned rappers

**T**HE Toulon judge who banned a rap group for insulting the police has been identified as a former member of the special branch, writes Paul Webster. Judge Claude Boulanger started a national row when he sent the singers Kool Shen and Joey Starr of Nique Ta Mère (Fuck Your Mother) to jail and banned them from singing for six months. Human rights groups, entertainers and leftwing politicians will march in protest on Saturday, although the singers are still free and can be expected to win an appeal. The Gaullist justice minister, Jacques Toubon, said the sentence of six months jail, with three months suspended, was too severe. But Mr Boulanger's action has brought to light a strange judiciary team at Toulon, a

National Front stronghold, that has banned performers by Nique Ta Mère, a group from the immigrant suburbs of Paris which openly attacks the racist movement and its allies. Before he was made a judge in 1996, Mr Boulanger, aged 45, was a member of the Renseignements Généraux, the special branch whose tasks include keeping watch on immigrant communities. He was sent first to Montreuil in the Pas-de-Calais where other judges complained of his intolerance. He personally brought charges against tenants of flats near the Palais de Justice who hung washing on their balconies, and he chased motorists on his car for alleged traffic offences. After an official reprimand, he asked for a transfer to Toulon, where he joined former

senior army officers, an ex-Marseilles prison governor and a retired senior tax inspector in handing out eccentric sentences. One fellow judge, who declined to be named, said Mr Boulanger specialised in handing out humiliating sentences to traumatise the accused. "No one asked him to ban the singers," the colleague said. "He has never forgotten that he was a policeman. He should never have been allowed to judge a case in which the rappers were accused of verbal outrage against the police." The sentence has sent the group's record sales soaring and their case has been compared to the persecution of entertainers such as Georges Brassens, Serge Gainsbourg and Boris Vian, whose songs were seen as a call to arms.

## Euphoria in streets as Romania 'breaks free'

Nick Thorpe in Bucharest

**T**HENS of thousands of mostly young people streamed into the centre of Bucharest early yesterday morning to celebrate the victory of opposition candidate Emil Constantinescu in Romania's presidential elections. Chanting "Emil", "Victory" and anti-communist slogans from the revolution seven years ago, University Square became a sea of emotion on a scale not seen since. "This means change, a major change for Romania, especially for young people," said Camelia, a student. Asked what she wanted from the new president, she replied simply "Justice". Opponents of the outgoing president, Ion Iliescu, accuse him of sweeping the crimes of the communist years — and of those who killed more than 1,000 people during the revolution — under a carpet of pro-Western slogans. "We are very happy," said another student, Liliana. "This is the first time since the revolution that we have a free government." The scenes were repeated in towns across the country. Flag-waving crowds flocked to squares where martyrs of the revolution had fallen, and car horns trumpeted deep into the night. With 60 per cent of the votes



Constantinescu savours his victory yesterday

rest was born in the city of Tighina in what is now the Republic of Moldova. He grew up in a poor district of the Carpathian mountains, famous for its armed resistance to the communists after the second world war. During the final televised debate with Mr Iliescu last week, Mr Constantinescu, who presented himself as "a simple, church-going Christian", recited a prayer instead of summing up his appeal. Such gestures have helped establish him as a man of the people in contrast to the wooden, dull language of former communist apparatchiks like Mr Iliescu.

Western leaders were quick to greet Mr Constantinescu's success. President Chirac of France and Chancellor Kohl of Germany sent their congratulations long before official results were announced. Such west European support will be crucial to Romania as the new president and the recently elected government led by his Democratic Convention party — is to fulfil its election promises. These include: faster privatisation; stabilising the Romanian currency; the left combating the corruption which plagued the last years of Mr Iliescu's rule; and helping Romania to catch up with its former Warsaw bloc allies. In his victory speech, he warned of hard economic reforms ahead.

## Gibraltar demands veto

Ian Black Diplomatic Editor

**G**IBRALTAR is demanding a veto over any decisions made in the deadlocked Anglo-Spanish talks on the future of the colony, its chief minister said yesterday. Peter Caruana, who is more conciliatory than his predecessor, Joe Bossano, has told the Foreign Secretary, Malcolm Rifkind, that Gibraltar now wants equal status in any British negotiating team. "It means a veto. I don't like the word but that's what we mean. Agreement means agreement between three, not

two," he said. Talks broke down in London in September after Spain refused to accept the British formula of "two flags, three voices" because it implied an active role for Gibraltar. Mr Caruana said he was now hoping Britain would agree to formalise a Gibraltarian role in the Brussels process, the inconclusive yearly talks between ministers that began in 1984. Mr Caruana is in London advertising a Gibraltar which has cleaned up its act by stopping the tobacco smuggling that developed after Britain's military withdrawal. "The idea that in western Europe there should be a No-

tilla of speedboats driven by men with balacavans and blackened faces is anathema to us," he said. He also strongly rejects Spanish allegations that the Rock has become a centre for offshore money-laundering. Mr Caruana's interest in reviving the Brussels process may hold out the prospect of improved relations with Madrid. But he is not about to fold up the flag and solve one of the world's longest-running territorial disputes. "We think it is inconceivable that Spain should demand our sovereignty as the trade-off for having decent civilised relations," Mr Caruana said.

Swiss Burn Wire Reader

Nigeria

Sacred needs of

CIA 'mole' of spying for

# Swiss spurn Zaire leader

Agencies in Bern

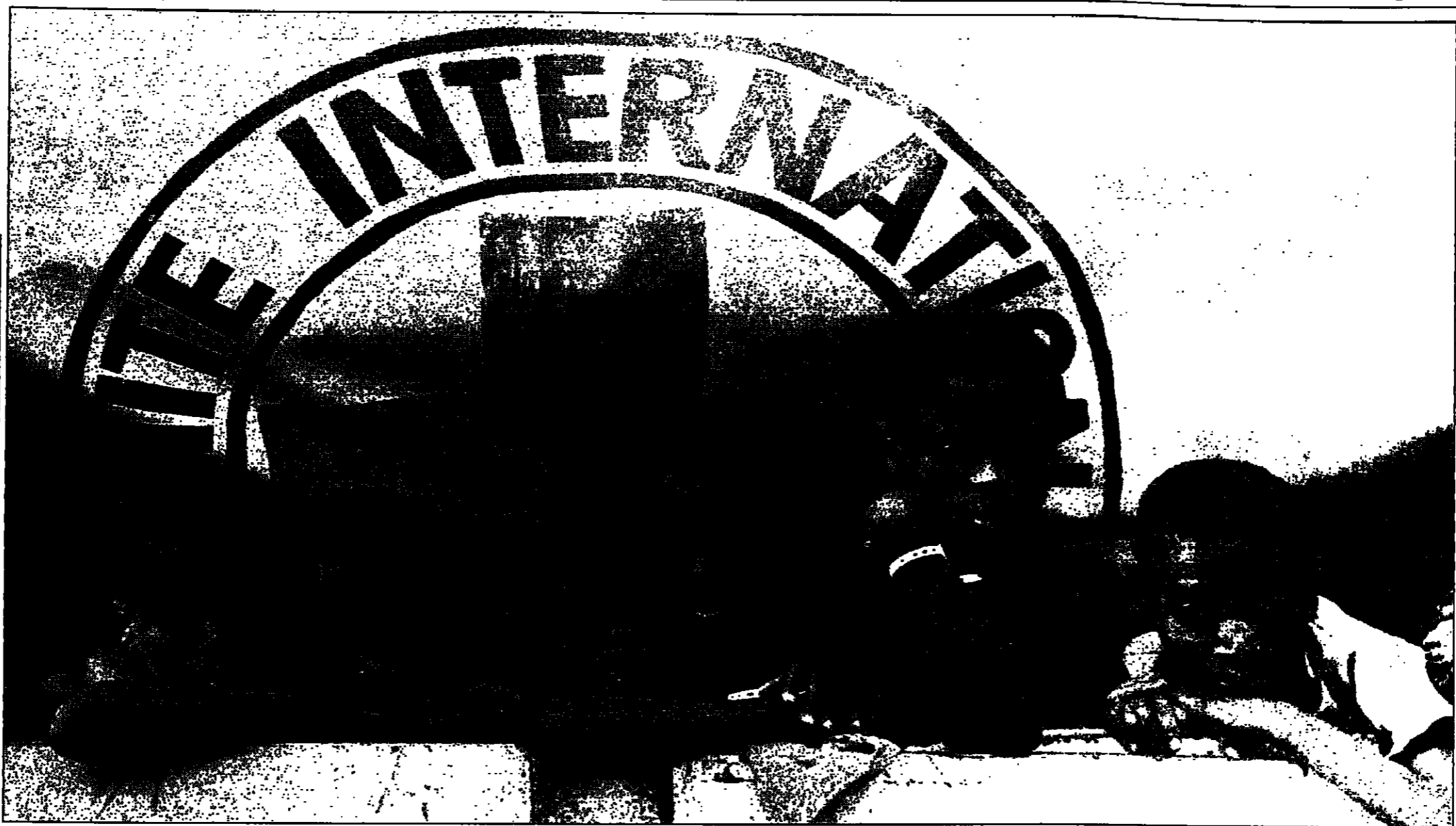
SWITZERLAND has turned down a request from Zaire's president, Mobutu Sese Seko, now in France, to return for a medical check-up, the foreign ministry said yesterday.

From the point of view of the Swiss foreign ministry, with the departure of Mr Mobutu, the medical reason for a new visa does not exist anymore," said spokesman Hans Reudi Bortis.

Mr Mobutu, aged 66, underwent more than two months of treatment for prostate cancer in Lausanne. He left Switzerland on November 4 for the French Riviera, where he has a villa. Swiss officials said Mr Mobutu applied for a new visa to return to Switzerland on Friday.

Swiss authorities extended Mr Mobutu's visa three times so that he could continue treatment as an outpatient in the Lausanne University Hospital while he lived in one of Switzerland's most luxurious hotels. The Swiss government came under increasing criticism for allowing him to stay.

Diplomats have said he went to France because he would have fewer restrictions and could take control of the situation in Zaire. His absence from Zaire has raised fears that his vast country may disintegrate.



Children separated from their parents in the exodus of refugees from Zaire look out from a Red Cross truck taking them to the city of Byumba. The Red Cross knows of 3,000 such cases PHOTOGRAPH CORINNE DUFA

# Nigeria refuses Commonwealth visas

Ian Black Diplomatic Editor

NIGERIA'S military regime has again cocked a snook at the Commonwealth, refusing visas to some members of a top-level delegation investigating human rights abuses after the execution of Ken Saro-Wiwa.

Britain's overseas aid minister, Lynda Chalker, joined the delegation of ministers and officials yesterday on a three-day fact-finding mission, which the Nigerians have done everything to sabotage.

But the Canadian secretary of state for Latin America and Africa, Christine Stewart, decided not to go after Nigeria refused visas to two security officers with her delegation.

The Canadian government has long been unhappy with what it calls the "appeasement" of Nigeria, and may have exploited the visa situation to distance itself from the mission of the Commonwealth Ministerial Action Group (CMAG).

Diplomats said it was still unclear whether Nigeria would allow ministers access to jailed opposition figures such as Moshood Abiola, the presumed winner of the annulled 1993 presidential elections, and the former president Olusegun Obasanjo.

Lady Chalker was making independent arrangements through the British High Commission to meet dissidents.

Nigeria was suspended from the Commonwealth at last year's Auckland summit after Mr Saro-Wiwa and eight fellow minority Ogoni activists were hanged, despite numerous appeals for clemency. Limited sanctions imposed by the Commonwealth, the European Union and the United States have had little effect.

"The Nigerians are pretty firm that all they want to talk about is what they consider Nigeria's illegal and quite unjustified suspension from the Commonwealth," said one official. "They want the suspension lifted before any meaningful dialogue on democracy can be discussed."

The Commonwealth has been widely criticised for its toothless approach, but its need to make decisions by consensus has been paralyzing in the face of sympathy for Nigeria from fellow African members. The mission's chairman is the Zimbabwean foreign minister, Stan Mudenge.

The Commonwealth decided in September not to impose a set of agreed sanctions on Nigeria and instead to keep the dialogue going by sending the mission. But it was clear then that Canada, which had unilaterally imposed the sanctions, was unhappy at being obliged to toe the line.

Nigerian opposition groups and their supporters in Britain want the mission to insist on a tough line. "We call on the CMAG to demand, as a condition for their visit, the immediate and unconditional release of all political detainees in Nigeria," said the Committee for the Defence of Human Rights. "Unless this is done, we will have no option other than to accuse them of complicity with the Nigerian fascists."

## News in brief

### Trial jeopardises Bonn's ties with Iran

RELATIONS between Iran and Germany, the Western country most friendly towards the Islamic republic, are on a knife-edge as the verdicts are awaited in a Berlin terror trial.

An Iranian, alleged to be an assassin working for the government, and four Lebanese face murder charges in connection with the killing of three Kurds in 1992.

If they are found guilty, it would be the first time a German court effectively delivered a verdict of "state terrorism" against Iran. — Ian Traynor, Bonn.

### Candidacy rumours scotched

TOKYO SEKWALE, the premier of the Gauteng region of South Africa, yesterday scotched rumours that he would run for the country's presidency in 1999.

There has been widespread speculation over who might challenge Thabo Mbeki for the position in the days since Nelson Mandela told leaders of the African National Congress that the deputy president was not his automatic heir apparent.

Mr Sekwale said he wanted to put an end to the rumours. "For the year 1999 I am not available for the position of president or deputy president," he said. "I say so not as a favour to anyone but for the ANC and its unity." — Ruairidh Nicol, Johannesburg.

# Sacred mountain needs clean-up

Tourists have spoilt Mt Fuji for pilgrims, Jonathan Watts reports from Tokyo

Mount Fuji has become so polluted by the hordes of people who ascend its slopes each summer that this symbol of Japan is in danger of becoming a source of national shame.

From a distance the mountain, 12,389ft high and sculpted by centuries of volcanic activity into an almost perfectly symmetrical shape, is as serene as ever. Close up, the slopes are cluttered with litter and fouled by human waste. The problem has become so bad that the authorities are thinking of restricting entry or levying charges on climbers.

For hundreds of years Mt Fuji was worshipped as a sacred mountain. During the Edo period (1600-1867), pilgrims had to undergo mental and physical purification before embarking on the long climb to the peak.

Now most of the 300,000 people during the two-month summer climbing season do so for the panoramic view, which includes Tokyo's urban sprawl. At sunrise the rim of the caldera of the dormant volcano is full of couples holding hands and tourists snapping away.

On the summit stands a canned drinks vending machine.

Each week climbers leave behind 330lb of litter. Worse, every morning before dawn, the contents of toilets situated at numerous resting stations are flushed directly on to the mountainside.

A tarmac road means climbers can get halfway up by car. On the lower slopes plants and trees are being ruined by car exhausts, while in the lakes around Mt Fuji the water quality has deteriorated because the sewerage system is unable to cope with the vast numbers of tourists.

"People are now more aware of the danger that if we leave things as they are, the mountain will be spoiled," said a spokesman for the Yamanashi prefecture government, which with neighbouring Shizuoka has set up a working group to consider ways to protect Mt Fuji's environment.

Tsunao Shigehiro, a Japanese climber, pointed out following the example of Everest by imposing a toll for the upper slopes.

The Japanese Alpine Club doubts this will have much effect. A spokesman pointed to the "Mt Fuji is a symbol of the Japanese soul. The deterioration of its environment is a reflection of how that soul has been polluted. Nowadays, people don't seem to care where they discard their rubbish. To clean up Mt Fuji we have to clean up Japan."

# Anger at Mugabe's wanderlust

Andrew Meldrum in Harare

ZIMBABWE'S president, Robert Mugabe, returned from a trip to Europe yesterday to be confronted by a barrage of criticism about taking expensive overseas tours while his country grapples with a stagnant economy and soaring poverty.

The Zimbabwean leader faced unprecedented anger on his return from a week-long visit to Rome where he attended last week's United Nations Food and Agriculture Organisation summit. He and his 81-year-old wife had also been Christmas shopping in London.

Zimbabwe's economy is sluggish, unemployment is at 50 per cent and urban poverty is rising, but the government continues to maintain a profligate budget deficit of more than 10 per cent of GDP.

"Mugabe and [Zaire's president] Mobutu are the only African presidents enjoying themselves in Europe while their countries are crumbling," said a Zimbabwean political scientist, John Makumba. "It is reckless and arrogant. Mugabe and his government have become unaccountable."

When the radio announces that Air Zimbabwe flights have been abruptly cancelled, Zimbabweans know that Mr Mugabe is off on another of his frequent trips abroad.

This year scores of flights have been disrupted because the president waits until the last minute to commandeer planes from the national

airline. Since his lavish wedding in August, to which 20,000 guests were invited, Mr Mugabe, aged 72, has visited Cape Town, Maseru, Hamburg, Vienna, Geneva, Accra, Ouagadougou, Luanda, Kingston and Yaounde.

Many people are fed up. Last week Air Zimbabwe engineers refused to carry out a service on the jet that would take Mr Mugabe to Rome and London. Thirty-five engineers were suspended.

While he was in Rome, Zimbabweans endured a strike by state nurses and doctors which forced hundreds of desperately ill people to wait for emergency medical attention. Some died.

"Not only was the visit badly timed, it showed the growing and unacceptable arrogance that has become the

hallmark of this government's virtual one-party dictatorship," the Independent Financial Gazette newspaper commented.

When Mr Mugabe was quoted by the fawning state press as saying in his Rome hotel suite that he did not know what the hospital strike — now in its fourth week — was all about, the public was exasperated.

Nurses and doctors are striking because they have not yet received pay rises promised them in September. Zimbabweans are also angered by apparent top-level corruption. And there is the prolonged trial of the opposition leader, Nkabaningi Sithole, on which legal experts say is flimsy evidence that he plotted to assassinate President Mugabe.

# Cartel leaders are in jail but there is no stopping the cocaine train

Mary Matheson in Bogota

IN JUNE last year Gilberto Rodriguez sat in shackles in Bogota's police headquarters. Officers were showered with confetti and streamers, and the Colombian authorities hailed the end of the Cali drug cartel.

Since then, six remaining drug barons have been jailed, cartel bank accounts frozen, and front companies closed. But, according to American authorities, the flow of cocaine to the United States has not been stemmed.

"Around 80 per cent of cocaine entering the United States is processed and transported from Colombia," said the US ambassador to Colombia, Myles Frechette. It is also the source of about 80 per cent of the heroin sold in America.

But Colombian police maintain that the Cali cartel is dead, and that most of the drug trade has spilled over to Brazil, Peru, Venezuela and Ecuador. Only small-time traffickers continue exporting from Colombia, they say.

"We are seeking the majority of cocaine shipments," said Colonel Benjamin Nuñez, head of the Cali anti-drug task force. "When the Cali cartel existed, we didn't seize one

Colombian troops guard a field of poppies in the Huila region during the crackdown on the drug trade last year

kilo of their cocaine because a whole organisation existed... and they bought everyone."

Colombian police, working with intelligence services from other countries, have intercepted even more shipments this year. "But what we don't know is how much more is being produced," said Mr Frechette.

The task force has targeted lower-ranking members of the cartel believed to have taken over some of the routes owned by their bosses. But what remains unclear is the amount of control the Cali drug lords still have over the business from behind bars.

Last month Ecuadorian police — working with Colombian and US authorities — seized 6.3 tonnes of cocaine headed for Mexico. Colombian police believe the shipment could have belonged to Victor Patino, fifth in the cartel hierarchy and presently in prison.

American officials say lax security could allow jailed barons to continue managing the business. "They can communicate by public telephone and it's difficult for us to try to intercept or control their conversations," said Colonel Hector Escamilla, director of La Picota prison where Gilberto Rodriguez and his

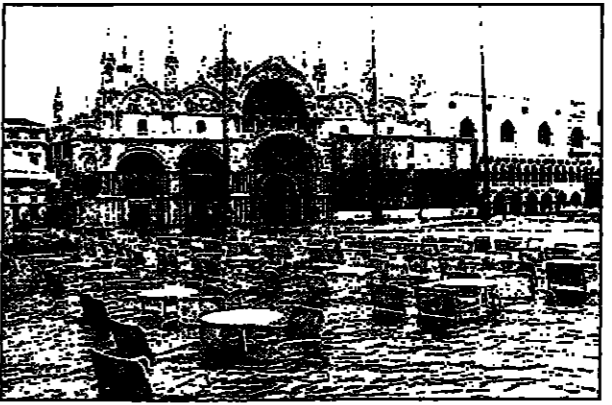
brother, Miguel, are held. Recently authorities managed to tap three phone conversations between Miguel in La Picota and Helmer Herrera, another drug lord, before he surrendered in September. They talked about who was behind an assassination attempt on Miguel's son, William. The coded discussion showed how easy it is for the cartel leaders to talk to whom-ever they want.

Observers say the jailed bosses can maintain control of the business. Confidential meetings with lawyers are permitted six days a week, prisoners are allowed conjugal visits from partners who could carry messages, and packages sent outside by inmates are not searched.

Family members can also help. William Rodriguez has been indicted in Miami for drug trafficking. "We also believe that since the arrest of his father he has had several people killed for their role in informing on him," said Mr Frechette.

A low-ranking cartel member said William was in charge of bribing politicians and officials but took no part in trafficking. Colombian police cannot prove otherwise.

The only certainty now is that cocaine is still reaching the streets of the US.



Customers are nowhere to be seen at this open-air bar as floodwaters lap through St Mark's Square yesterday morning after Venice was hit by heavy rain and winds

### North Korean grain shortage

NORTH KOREA expects a shortfall of 2 million tons of grain next year — equal to 40 per cent of the country's needs and significantly worse than expected, the Red Cross said yesterday.

Only a few months ago, aid workers had estimated the food shortage would be 1.5 million tons.

"Their shortages are serious... they have not been able to meet the daily food ration," said Ole Gronning of the International Federation of the Red Cross and Red Crescent Societies in North Korea's capital, Pyongyang.

"This is bad news, really bad news, in a country that already doesn't have much now," Mr Gronning said.

He said farmers whose crops had been wiped out by devastating floods in July had eaten about 400,000 tons of grain before it came to maturity. — Reuters, Beijing.

### Mars probe splashes down

THE MARS '96 probe which failed on launch at the weekend crashed harmlessly into the Pacific Ocean yesterday.

The Russian probe, part of an international effort to look for signs of water — and therefore possible life — on Mars, carried instruments designed by British scientists.

There were fears that the six-ton spacecraft and its nuclear burden could crash near Canberra, Australia: in fact, the debris splashed down between Easter Island and Chile at 15:40m.

The mission was not insured, the Russians confirmed yesterday. A spokesman said Russian law dictated that insurance must be paid for out of profits, and the Russian Space Agency did not have any. "We've put seven years work into this," said the mission director, Nikolai Ivanov, "I cannot begin to describe how it feels." — Tim Radford, Science Editor.

### Paris may ease wealth tax

THE FRENCH government is considering easing a special tax on the wealthy so that rich people do not flee the country, the minister of urban affairs and integration, Eric Raoult, said.

"We would not want the hen that lays a golden egg to leave... allowing capital to escape, little by little, out of the country," Mr Raoult said. He acknowledged that the so-called "solidarity tax on great wealth" was popular but said he believed the right balance could be found to keep the public satisfied while encouraging the wealthy to remain on French soil. Parliament is in the midst of weighing the 1997 state budget.

The president, Jacques Chirac, said earlier this year that the tax should be eased. — Reuters, Paris.

# CIA 'mole' faces charges of spying for Russians

Martin Walker in Washington

A specialist in training CIA penetration agents for Russia and eastern Europe, Mr Nicholson was in a position to expose CIA networks throughout the former Soviet Union.

The affidavit presented by the US attorney's office in court in Alexandria yesterday said that the espionage had been under way for at least two years, but possibly much longer.

The new arrest explodes earlier claims by the CIA that with the arrest and conviction of Aldrich Ames, former head of its counter-espionage office in Washington, the CIA had unmasked the key mole who had betrayed American intelligence networks in the closing stages of the cold war.

Arrested on Saturday at Dulles airport Harold Nicholson, aged 45, was not believed to be fleeing arrest. He had been re-assigned to the anti-terrorist division, in an attempt to keep him away from sensitive agent information and his foreign trip was believed to be in this context.

Colombian police, working with intelligence services from other countries, have intercepted even more shipments this year. "But what we don't know is how much more is being produced," said Mr Frechette.

The task force has targeted lower-ranking members of the cartel believed to have taken over some of the routes owned by their bosses. But what remains unclear is the amount of control the Cali drug lords still have over the business from behind bars.





Diary Dan Glaister

AN MONK, one of the most loved men in what was Fleet Street, is to leave the Express...

A quiet time in bed together

Commentary Hugo Young

TODAY an exercise in political originality takes another stride forward. It has not been widely noticed because it has not caused a row...

merely because EMU is a huge and contentious issue but because Parliament as presently constituted no longer enjoys universal esteem...

Labour MPs. It is benign testimony to the indifference with which reform is still regarded: permitted because the small faction of politicians who take it seriously see it makes sense...

Labour has to move from an oppositionist mind-set to the agenda-setting of government

electoral reform. They've gone into collaboration with one another to undertake an undertaking from Mr Blair to back proportional voting. This is a deal...

Vengeance is mine, saith the evangelical



George Monbiot

LEVITICUS is pretty clear about homosexuality. "Thou shalt not lie with mankind as with womankind: it is abomination."

ing aids, spectacles, dentures and toupees, thus barring the greater part of the priesthood from its duties. Obviously, an awful lot of turtle doves are going to have to have their heads pulled off to atone for this lot.

GOOD to see that Tony Baldry, Minister of State at the Ministry of Agriculture, Fisheries and Food...

BEFORE the Literary Review's pad-sex awards make their entrance next week — no puns, please, missus — there is still time to report on the Octid of the Year...

If Labour politicians do not recognise constitutional reform as their central project, the big event this weekend should have enlightened them. After a Labour victory, much of the new Parliament would be about system and process...

The reasons, therefore, for collaboration with the Lib Dems are obvious. But they've never weighed much before. Their greater persuasiveness now reflects, it must be said, the blindness of many...

Labour has to move from an oppositionist mind-set to the agenda-setting of government. They've gone into collaboration with one another to undertake an undertaking from Mr Blair to back proportional voting.

ILLUSTRATION: DANIEL PUDLES



Alan Yentob defends the Birtian revolution at the BBC — and argues that pruning, splitting and replanting have produced a fitter, more vigorous corporation

Why we are doing it

I ENTERED the BBC's revolving doors in 1988 as a general trainee. I started work at Bush House, as I had that was about 24 hours a day, in pursuit of knowledge and ideas. No one called broadcasting an "industry" then. The BBC had the questing, plural atmosphere of a very open university...

at your leisure. You were allocated that by a department called Planning. Planning would always oblige. We producers were having a great time. But under the surface, the system was creaking at the seams — and it was the viewer who was silently suffering...

was glaringly clear that the Planned economy had gone on for too long. The BBC faced a static income and the legal requirement to take a quarter of its programmes from independent producers. We really did need to find out how much each programme actually cost. And we needed to find out who, exactly, this was all for — to renew our relationship with viewers and listeners.

forge a real creative partnership between the "Broadcast" area of TV — the bailiwick of the Controllers — and "Production", as programme-makers. No one can overestimate the pace of change in television today. Corporate alliances bloom and wither faster than royal marriages...

We each had to write, on a giant piece of paper, what — deep down — we most wanted from being at the BBC. I put: 'I want to be good, and I want to be happy'

CHRISTMAS is cancelled, it's official. Red faces all round at the News of the World, where the corporate Christmas card has been abruptly withdrawn. "Virgin Birth Sensation" reads the illustration of an undeniably witty poster for the Bethlehem Tabloid. So witty is it, they were still chuckling at the card: "News of the World, 1 Virginia Street."

never before. The wall between the real and the reproduced, the medium and the message, seemed truly to be coming down. Meanwhile, the BBC, at the start of the 90s, was running out of steam as a source of money. A deregulated ITV was about to present us with more competition for audiences than we had ever seen. Rupert Murdoch was on the prowl, with a fistful of new channels. Here was a man with little to learn from Keith — except for his own, very different spin on "the brute force of monopoly".

But the BBC's financial revolution isn't just about saving money. Once you understand how much a programme is valued in money terms, you get a clearer grasp of its value in the deeper sense. You can make true choices about what matters most. Today, we can at least compare the escalating cost of football directly with the high cost of costume drama in a way we just couldn't before. It allows us to ask — which do we really want to do? What do we owe the viewer in terms of what matters most?

I know that disaffection among BBC staff is still widespread. The process of making economies may have been too dragged out — and the nerves of people worn too thin. But let's also remember that the economies are to do with strengthening what counts. Whatever you might say about the BBC, you can't say it's been timid in the past five years. We've had to change, not for the sake of change, but to survive — and we have to go on changing. We've still got a lot of learning to do.

Advertisement for Patient Care research. Text: "We conduct patient research into... Will you support us? The Royal College of Physicians sets the standards and controls the quality of medical practice in hospitals throughout England, Wales and Northern Ireland."



Financial Editor: Alex Brummer  
Telephone: 0171-239-9610  
Fax: 0171-833-4456

# Finance Guardian

## Rail firm to cut 3,000 jobs

### Freight operator says it is on track for profit-making

Keith Harper  
Transport Editor

**B**ITAIN'S largest freight rail company is to cut 3,000 of its 7,000 staff over the next three years in an attempt to turn years of state loss-making into profit, its chief executive said yesterday.

Railway, told the Guardian: "We are looking at all aspects of our business very carefully. We have already reduced our labour force from 7,500 to 7,000 and a further reduction to 4,000 must be achieved very quickly. Sadly, that is the case."

pointed out that it had doubled the number of security guards on stations from 25 to 50 in a further measure to protect the public.

### Notebook

## Cash influx may not fill tax bill



Edited by Alex Brummer

**O**VER much of the past year, the great lament from HM Treasury has been about the lack of corporation tax and VAT receipts. In October, like General Blücher at the field of Waterloo, a torrent of receipts arrived just in time. With seven days to go before Chancellor Kenneth Clarke's Budget, receipts from corporation tax have soared 24.4 per cent year on year. VAT is up 46.6 per cent and income tax 20.5 per cent. All of this has pushed the public finances into the deep black, generating a budget surplus for the month of \$4.89 billion.

### Utilities bluster

**P**RE-ELECTION politicking does not come much uglier than when practised by Brian Mawhinney. His pugnacious style may be Central Office's idea of the best way of taking on the flimsy policies of New Labour, but there are few spectacles as unedifying as the party chairman in full spate.

The true measure of his political worth ought to be how often he gets the analysis right. On this he does not score highly. Yesterday's mock indignation about Labour's plans for a windfall tax on the privatised utilities took Dr Mawhinney's black arts to even inkier depths.

Using research published four months ago by the US bank Goldman Sachs, he assumes that Labour will levy \$5 billion from the utilities. Then, dividing that sum by the number of customers served by the companies, he comes up with the assertion that it will cost each £192, as if the utilities would be allowed to pass on the cost of the tax in higher prices.

### Telekom debut

**P**UT to one side, for a moment, the likes of Luftansa and Veba. German capitalism has reached a crossroads with the sale of Deutsche Telekom. The issue was always likely to be a hit with foreign investors, offering existing numbers of people in work and disposable income rising (stimulating expenditure and therefore VAT), tax receipts should be rising.

The key question for Germany, however, is how the issue plays with the country's small shareholders, brought up on a model of capitalism in which shares were held by banks and a raft of unquoted Mittelstand companies.

UK experience suggests, however, it is not all plain sailing. Privatisation has more than tripled the number of small shareholders, but their share of the market is barely half the level of two decades ago.

## Rowland lashes out at Lonrho board

### IAN KING meets the company's angry founder

**T**INY Rowland, founder and former chairman of Lonrho, last night savaged the company's board after his loyal army of small shareholders was outgunned by institutional investors over the sale of the Metropole hotel chain.

At an extraordinary general meeting at Kensington Town Hall, where exchanges were often stormy, Lonrho won approval for the \$237 million sale in the face of opposition from Mr Rowland and his supporters.

But speaking at his Belgrave home shortly before flying to South Africa, where President Nelson Mandela was due to award him the Order of Good Hope — the highest honour a foreigner can receive — Mr Rowland said the sale was "an act of madness".

Mr Rowland, who has been highly critical of the Lonrho board since he was ousted in a boardroom coup last year, also defended his controversial sale, in 1992, of a one-third stake in Metropole to the Libyan Foreign Investment Company, Lafico.



After the fray... An outspoken Tiny Rowland at home last night after the vote went against him at yesterday's meeting. PHOTOGRAPH: MARTIN ARGLES

without clearance from Douglas Hurd and Lynda Chalker (then foreign secretary and overseas development minister). I lunched with them at the Carlton Gardens, and Douglas Hurd said, "if you can bring £177 million into this country from Libya, then good luck to you."

any wrongdoing by Mr Hurd or Baroness Chalker. Mr Rowland also questioned the recent sale of shares by Lonrho's former chief executive, Dieter Bock, to Anglo American, the South African mining group. He said he expected the European Commission to investigate the deal.

reinstatement, described Lonrho as "a ship without its captain". Later, when Mr Rowland's supporters attempted to call for the meeting to be adjourned, Sir John snapped: "You know the way it's going to go... In the end, it's not going to change the way things come out."

## Grid unlocks old power station

Simon Beavis and Chris Barrie

**B**ITAIN'S biggest electricity generator has brought one of its oldest power stations out of mothballs to keep the lights on this winter.

With the south braced for the first snows, it emerged last night that the National Grid had ordered National Power to recommission its oil-fired power station in Pembroke, South Wales, amid concern that supplies could be inadequate.

In an indication of the National Grid's concern to avoid a repetition of last winter's near-collapse of the national transmission system, the 500-megawatt unit was brought back on stream last week to make up for a damaged plant at Aberthaw.

### Wise Women

In Friday's paper the Guardian's distinguished panel of economic advisers offers the following budget strategy to the Chancellor, based upon expert knowledge and insight into the real economy.

## George defends Bank's dual role

Mark Miller  
Deputy Financial Editor

**B**ANK of England Governor Eddie George last night rejected MPs' arguments that the Bank's dual role of monetary policy adviser and banking supervisor might be too much for it to handle.

In robust exchanges with members of the House of Commons Treasury select committee, Mr George said the Bank had "sharpened up its act" in the wake of the collapse of Barings.

He also revealed that the Bank was close to choosing an outsider to head its quality-control unit, which it is setting up to monitor the standards achieved by its supervision department.

Labour MP Diane Abbott told Mr George: "Every time you come before this committee you tell us three things: 'We have the best supervisory system, banks will fail, we are sharpening up our act.'"

Defending the Bank's role, Mr George asked committee members to look at what had happened to Crédit-Lyonnais in France, the nationalisation of some big banks in Scandinavia and problems experienced by the Japanese banking sector.

In the UK, he said, the problems at JMB, BCCI and Barings had cost neither the depositor nor the taxpayer "a penny".

Mr George argued that the Bank had disclosed all the information it could in the light of legal advice it was given.

of some big banks in Scandinavia and problems experienced by the Japanese banking sector.

Mr George surprised some MPs when he argued that a parent company should fully support an overseas subsidiary that got into difficulties.

Mr George argued that the Bank had disclosed all the information it could in the light of legal advice it was given.

Mr George argued that the Bank had disclosed all the information it could in the light of legal advice it was given.

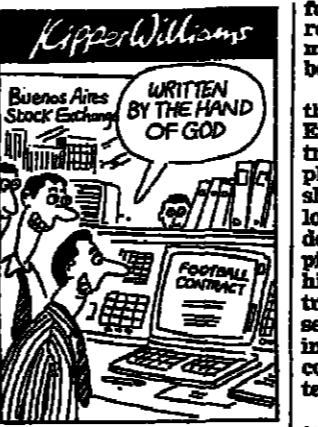
## Buenos Aires exchange dips into soccer's transfer market

Mark Miller

**T**HE business pages of newspapers in Argentina will soon be the source of footballers' form as well as stories about their clubs' finances.

The Buenos Aires Stock Exchange has just given the go-ahead to plans to list the shares in a fund which will invest, not in soccer clubs themselves, but in players' contracts.

The aim is to use the cash raised by the fund to help finance the purchase of young, promising players for one of Argentina's leading clubs, Boca Juniors.



Macchi who confidently predicts that Boca rivals such as River Plate will quickly follow suit. The fund is clearly looking to recruit soccer fans — the minimum investment will be 100 pesos (£66).

## Mattel buys up Tyco's toybox

Lisa Buckingham

**T**OYMAKER Mattel trumped neck-and-neck rival Hasbro yesterday to dominate this year's Christmas stockings.

The California-based group best known for Barbie dolls has agreed to pay \$755 million (£465 million) to buy Tyco — whose toybox includes Matchbox cars and Sesame Street characters.

The deal is expected to increase Mattel's sales to about \$5 billion a year, giving it a comfortable lead over Hasbro — maker of Action Man and Monopoly — which was itself the target of a \$5.2 billion bid from Mattel nine months ago.

facher, will give the combined group about 15 per cent of the US market alone.

The merger is another contraction among the world's biggest toy makers who have been trying to improve profitability by producing in low-cost countries and pumping more through their global distribution networks.

Toy makers are also seeing their marketing budgets soar and are in a ferocious battle to secure lucrative deals with TV and film companies to produce popular licensed toys such as Ninja Turtles.

What used to be an industry of small and medium sized companies, often with family ownership, has become the fiefdom of a handful of global players with a cascade of brand names.

TOURIST RATES — BANK SELLS			
Australia 2.04	France 8.21	Italy 2.478	Singapore 2.275
Austria 17.14	Germany 2.4375	Malta 0.5750	South Africa 17.12
Belgium 50.19	Greece 387.50	Netherlands 2.7850	Spain 205.00
Canada 2.1775	Hong Kong 12.58	New Zealand 2.2850	Sweden 10.86
Cyprus 0.735	India 25.57	Norway 10.26	Switzerland 1.25
Denmark 9.5980	Ireland 0.9705	Portugal 247.00	Turkey 158.118
Finland 7.48	Israel 5.39	Saudi Arabia 6.21	USA 1.8285

Supplied by NatWest Bank (excluding Indian rupee and Israeli shekel).



Heady scenes in Frankfurt yesterday as investors buy into Deutsche Telekom

PHOTOGRAPH: HERBERT KNOWSOWSKI

# Deutsche Telekom debut whets appetite for privatisation menu Bonn serves up Lufthansa to feed taste for sell-offs

David Gow and Julia Gieritz

**T**HEO WAIGEL, Germany's embattled finance minister, yesterday seized on the country's new-found taste for shareholder value by disclosing he intends to sell the Bonn government's remaining 36 per cent stake in Lufthansa, the national flag-carrier, in the next few months.

Fighting against the odds to cut the federal budget deficit to meet the Maastricht criteria for the single European currency, Mr Waigel held out the prospect of the Lufthansa sale — which could net DM2.8 billion (£1.2 billion) — "this year or next".

His announcement came as shares in Deutsche Telekom rose in both Germany and New York, netting a substantial profit for the 3 million private and institutional investors on the first day of trading in its £8 billion partial flotation. Shares in Telekom rose almost 20 per cent from the offered price of DM28.50 to DM34.10 after opening at DM32. They closed at DM33.90, a DM5.40 premium, with almost 24 million shares changing hands.

Analysts expect the share price to rise during the week to DM36. "I think that mostly private owners are selling their shares to institutions," Pierre Drach, an analyst at Independent Research in Frankfurt, said. He added that lots of private investors had not been able to sell their shares because banks were not ready yesterday.

Mr Drach believes that the price will not fall below the issuing price for the next year at least, although he deems the share to be too expensive. Both government and banks, he said, wanted to keep the shares high before the next tranche was sold off.

Deutsche Telekom said: "We are not euphoric, but the price satisfies us. The real work will start now, because we have to justify the price to our shareholders by sound strategy and management."

Less startling gains were made on Wall Street where the shares, in the form of US depositary receipts, were set at \$18.99 and were trading at a little below \$22. Ron Sommer, Telekom chairman, flew to New York to attend the launch of what promises to be the world's biggest initial public offering.

Mr Sommer highlighted the growing weight attached to shareholder value in Germany's traditional stakeholder culture by setting the price of becoming a more customer-friendly and capable service provider. "I know that

## German privatisation

Some of the big companies being sold off.

Company	Proportion state-owned	Shares	Date of privatisation	Planned Ebn (£m)
Deutsche Bahn AG	100%	212,000	Not finalised	?
Telekom	100%	16,200	Start 1997	4.2
Lufthansa AG	36%	57,700	Late 1996, early 1997	2.8

we're still a long way from our goal but we're already changing with great speed."

This initial sale and the further tranche due to be sold off by the end of 1999 will reduce Bonn's stake in Telekom to two-thirds, but at no benefit to the federal budget. The Cabinet hopes to reap up to DM5 billion from the three-stage sell-off of the Postbank between 1997 and 1999.

Shares in Lufthansa will be sold to investors after last week's go-ahead from the European Commission and there is talk in Germany of privatising state and municipal airports, netting more money for the cash-strapped exchequer, which is transferring DM200 billion a year to east Germany.

But the biggest prize is not due until the new millennium, when the heavily subsidised, loss-making German Railways (Deutsche Bahn) are due to be sold off after a 10-year "recovery" programme that began in 1994. The state-owned firm, now a plc, could raise several billion marks, but analysts refused to put a price on it yesterday.

Since 1982 the government has sold off stakes in 300 companies raising DM18 billion. In 1997 it hopes to raise a further DM12 billion from sell-offs, including shares in building companies and motorway service stations.

## Migraine drug breakthrough boost to biotechnology firm

Tony May

**B**ITAIN'S fledgling biotechnology sector received a boost yesterday as shares of the Vanguard Medical Group rose 12 per cent to 567p on news that a new anti-migraine drug it is developing had moved closer to a multi-billion-dollar payoff.

Vanguard — which raised £46.5 million from a sensational stock market launch in May, when its shares jumped nearly £2 in their first day of trading — is one of a number of companies trying to develop treatments for migraine.

News that Vanguard had successfully completed mid-stage clinical trials and would

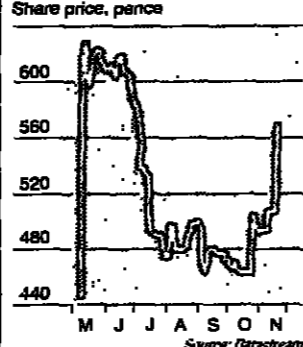
move to final testing of the drug, named VML 851, added more than £14 million to its stock market value.

Robert Mansfield, chief executive, said the company expected to submit the drug for regulatory approval at the beginning of 1999 and would then see what the powerful US Food and Drug Administration thought of it.

He said SmithKline Beecham, the group's corporate partner, which is paying to develop the drug, "has confirmed its intention to take up the worldwide marketing of the compound".

Some 6 per cent of men and between 14 per cent and 18 per cent of women suffer from migraine, so there is obviously a large market. Mr

### Vanguard Medical Group



Mansfield noted that Glaxo Wellcome was selling around £700 million-worth a year of

its anti-migraine compound Imigran.

In a separate development, Celsis, a biotechnology company developing hygiene and microbial detection equipment, said yesterday that it was moving closer to profitability.

Mark Clement, the finance director, said the group was "on a roll", with revenues improving sharply and losses reduced in the first half of the year to £2.7 million.

Mr Clement said the group had already passed the investment phase and was ahead of the pack in the biotechnology sector because it was marketing its products and receiving increasing revenues.

Sales in the first half were up 146 per cent at £4.1 million.

## Thorn is not too proud to scoop up crumbs from the poor man's table

OUTLOOK/Post-divorce life might not win French approval, but it does make money. ROGER COWE reports

**S**HORN of EMI, Thorn might well be distasteful, but it is definitely profitable. The company was once a successful manufacturer of electrical equipment from light bulbs to hi-tech gadgetry. Then it fell into an ill-starred merger with EMI, which ended earlier this year, but not before participating rather too enthusiastically in the decline of Britain's manufacturing base.

New Thorn rents out the equipment it used to make, and makes nothing except profits. The first six months' profits, reported yesterday, are substantially down, but behind that drop is a growing business with the post and telecommunications.

That closure has now come back to haunt Thorn explaining the drop in profits.

Rumbelows' shops were sold to the German computer chain Escom, which promptly went bust. Now the premises have reverted to Thorn it has had to take a charge of £33 million, wiping out a 10 per cent rise in operating profit in the first half of the year. Along with cautious comments on next year's prospects, that helped drive down the share price yesterday, continuing the decline since demerger. The rental business was not neglected during the conglomerate years, despite the many other issues clamouring for attention within Thorn-EMI.

In an attempt to internationalise, despite the grim experience of its main rival Granada with efforts to move abroad, the US business Rent-a-Center was acquired, as well as operations in Italy and France.

In the six months just finished, the Americas ac-

counted for about as much profit as Britain, but the US business has also contributed the new ideas which have attracted controversy on both sides of the Atlantic.

Thorn's attempt to transfer the much-criticised Crazy George's inner city store concept to France ended (temporarily, Thorn says) after four hours on the Saturday before last.

The French authorities complained that Thorn's attempts to explain its rent-to-own contract were inadequate, and gave people the impression that for just a few francs they could own a TV, fridge or dining table.

In reality, the few francs have to be paid over and over again until the total

sum is much more than the basic cash price. That this has caused outrage in the US might seem curious, since it is a familiar phenomenon, which used to be known as hire purchase.

Just think, if you can bear it, about how much you will actually end up paying the building society for your house, compared with the cash price. Or look at the interest bill on your credit card, compared with the cash price.

The problem is not in the principle, however, but in the price. And Thorn is accused of charging excessive interest to poor people.

In the US it has faced a series of court cases, state by state, with critics arguing that these deals should be regulated in the same way as straightforward credit. Thorn has won most of them, on the grounds that it offers more than finance, giving customers the option of returning the goods to end the contract, and other services.

Thorn chief executive Mike Metcalf argued yesterday that the proof of the pudding was in the eating, with surveys showing great customer satisfaction. Mr Metcalf can point to the lack of outrage at the expansion of Crazy George's in Britain, although that might say more about the effect of 17 years of Conservative government.

Meanwhile he is clearly relishing the high profile that demerger and Crazy George's has brought. As part of a move to broaden the base of his business, he is thinking of becoming a used car salesman, on the grounds that Thorn's expertise in managing financial relationships could be applied to that dismal trade.

What would the French think of that?

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## Thorn

Stock market value: £1.4bn

Share price: 312 1/2 p -35p

Workforce: 20,000

Interest cover: 7

Sales: 2002

Pre-tax profit: 36

Percentage per share: 2p

Dividend: 2.7

**Main activity:**  
Consumer rental of electrical and other domestic equipment

**% change**

Pre-tax profit: -67

Percentage per share: -72

Dividend: 0

**Moving away from TV and video**

Percentage

TV & video	73
Appliances	13
Other	14

Existing contracts  
 New business

## QC says power boss used inside information to buy shares

**Dan Atkinson**

**F**ORMER Eastern Electricity director Douglas Swinden used inside information about a UK share price regulation to buy shares in another power company, the Crown alleged yesterday.

Dr Swinden, a 53-year-old metallurgist who served as strategy director at Eastern, had slight of a letter from industry regulator Professor Stephen Littlechild in 1994 in which he proposed to soften what had originally been a tough programme of price cuts to benefit the consumer. Sharesbrook crown court, east London, was told.

These proposals, said Clare Montgomery QC, prosecuting, were to remain under wraps until August 11. But she alleged Dr Swinden bought 2,000 shares in the southern Seaboard company on August 1.

"Dr Swinden was in a privileged position compared to anyone else who was thinking about buying shares. He knew there was good news around the corner and bought those shares when he should not have," said Mrs Montgomery. Prof Littlechild's announce-

ment boosted the value of electricity company shares, she added, and Seaboard stock rose 10p in a month.

Dr Swinden, of Constitution Hill, Ipswich, denies two charges of insider dealing.

The Department of Trade and Industry says Dr Swinden bought the shares as a result of his awareness of information contained in a letter dated July 24 from Prof Littlechild to the chief executive of Eastern. This information allegedly related to "issues of securities", namely the regional electricity companies. Seaboard, it says, was one of the "price-affected securities".

Dr Swinden was given the letter setting out the new proposals and on July 28, 1994, the board of Eastern Electricity accepted the deal, said the Crown.

Dr Swinden had been strategy director of Eastern Group, the owner of Eastern Electricity, having worked for the East Midlands Electricity Board. He joined Eastern as director of marketing in 1987. Eastern has since been acquired by Hanson and Dr Swinden left the group shortly after the takeover was completed. The case continues.

## News in brief

### Homeworkers seek to plug loophole

**LABOUR** today throws its weight behind the demand for employment rights for Britain's one million homeworkers. It backs the launch of a charter aimed at ending the legal loophole which classifies the vast majority as self-employed.

The National Group on Homeworking, drawn up by the most homeworkers as individual subcontractors instead of employees denies them basic rights, such as protection from unfair dismissal, sick pay and maternity leave. The NGH wants a statutory definition of self-employment, a shift in the burden of proof on employers, an enforcement agency, and social security and taxation reforms. — *Seamus Milne*

## Pearson eyes South Africa

**PEARSON**, the media and entertainment group, admitted it was in negotiations to buy a stake in two South African newspapers — Business Day and the weekly Financial Mail. There has been speculation that Pearson was interested in a deal with Times Media, which owns the titles, but the British group said discussions were still at a "deeply early" stage. — *Lisa Buckingham*

## Sumitomo forecasts first loss

**SUMITOMO** will report its half-year earnings today amid continued fallout from its disclosure of a \$2.6 billion (£1.625 billion) loss on illicit copper trading. The Japanese trading company estimates it will report a pre-tax loss of 150 billion yen (£811 million) for the year ending March 31, compared with a 43.9 billion yen profit a year earlier. That would be Sumitomo's first loss in its 77-year history. For the half-year ended September 20, the company expects a net loss of 217 billion yen. — *Bloomberg*

150 من الاموال

Cricket

Four match: Australian Cricket Academy v England A

Shah catches Marsh's eye

ANDREW HARRIS and Michael Vaughan played the leading roles in completing England A's third consecutive tour victory...

South Wales XI in Tamworth, the Karachi-born Shah has continued to give glimpses of his natural talent with some remarkable shots...

match-winning 11-wicket effort in Adelaide. "He [Harris] bowled well but it's hard to judge under these conditions...



Driving force... Vaughan fires England towards victory at Mount Gambier

West Indies crash as Warne gains Test call-up

WEST INDIES suffered a worrying 10-wicket defeat in their final warm-up match before the first Test against Australia...

12-man Test squad for the game, will give the tourists further cause for concern. West Indies' humiliation by an Australian XI came after they had to follow on...

declared. Victoria's Matthew Elliott, who scored 168 in the first innings, comes into the Test squad at the expense of Michael Slater.

Lingfield all-weather Flat card

Table of racing results for Lingfield all-weather Flat card, including race numbers, names, and times.

Table of racing results for Wetherby with guide to the form, including race numbers, names, and times.

Table of racing results for Wetherby with guide to the form, including race numbers, names, and times.

Racing

Jockey Club give warning to the fixers

Graham Rook THE Jockey Club has strengthened its hand in dealing with owners, trainers, jockeys and stable lads who regularly associate with criminals...

Charles Roberts, a punter owed almost £13,000 by SP Racing, took the bookmaker before Tattersall's Committee yesterday when, after listening to some of the evidence, the members adjourned the hearing until December 17.

In the first instance a warning will be considered appropriate but persistent offenders would be liable to have their licences withdrawn. Even though there may not be sufficient evidence to indicate that a breach of the rules has taken place or has been planned, the Jockey Club would not be acting in racing's best interests if such situations were ignored...

Roberts was required to lodge a non-refundable deposit of £750 calculated on a sliding scale, with Tattersall's Committee in order to pursue arbitration. Michael Singer, of the National Association for the protection of Punters, said that his members had to pay in order to receive justice.

Newton Abbot programme

Table of racing results for Newton Abbot programme, including race numbers, names, and times.

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14 SPORTS NEWS

Soccer

From El Tel to Ocker for £200,000

Martin Thorpe

ENGLAND'S most high-profile sporting export to Australia since Harold Larwood and Tony Greig is expected to set sail for football's new world today.

Japan, and admitted: "My knowledge is not as up-to-date as Eddie's but I've spoken to him and he has been very helpful. Australia are a country you want to get involved big-time in world football."



Owl trap... Wednesday's Newcastle is sandwiched between Forest's Jerkan and Phillips

Premiership: Sheffield Wednesday 2 Nottingham Forest 0

Forest left rooted to the bottom

Jan Ross

THE prospect of Nottingham Forest surrendering their place among the elite after only three seasons cannot now be discounted.

been contacted and asked if they would care to lodge bids for Forest's senior players, the inference being that every member of Clark's rather shallow senior pool is available for transfer if the price is right.

Uefa Cup, third round: Metz v Newcastle Shearer keeps options open

Michael Walker on a striking mystery in Metz

THE cables buzzed and the telephones hummed: the word was out all over Alsace-Lorraine and the word was Shearer. As the world's most expensive footballer descended the steps at Metz airport yesterday he was greeted on the runway by French reporters desperate to know if he would be in the team tonight.

ing significance for Ginola, who is desperate to regain a place in the French national squad. This is an opportunity to convince both Aimé Jacquet, the France manager, and Joe Public that he is a man rejuvenated.

Old Lady has spring in her step again

Paddy Agnew says Juventus are coming to the boil nicely for tomorrow's Champions League Group C match at Old Trafford

MINUTES after Juventus had drawn 0-0 at home to Milan in a pulsating, rain-soaked league encounter on Sunday night, the most famous ponytail in Italian soccer swung his way into the press room.

in Turin in September is all too painfully vivid. United fans looking to Juventus' record of the past month for comfort should also beware. The European champions may currently be only the Serie A, two points behind the leaders Internazionale, and they may have won only three out of 10 league, Italian Cup and Champions League games in the past month, but as Milan discovered on Sunday night, when the chips are down Juventus produce the goods.

game. Indeed, that is the point Juventus are still alive and well in the competitions that interest them, namely the Champions League and the Italian title race.

soccer for over an hour, giving very little away to our opponents. For the past month, however, Lippi's satisfaction has probably been induced by his belief that he and the club president Roberto Betegga have pulled off a massive gamble.

guess midfielder Paulo Sousa (to Borussia Dortmund) and still keep the Juventus ship not just afloat but skimming along with a full sail.

UFO puts the spotlight on Knighton

MICHAEL KNIGHTON, the chairman and chief executive of Carlisle, is reconsidering his decision to quit the club at the end of the season after a row with a local newspaper over a story about his experience with a UFO on an M66 filling station in 1977.

Team talk

The independent news and reports service

0891 33 77+

Table listing football teams and their scores, including Aston Villa, Arsenal, Blackburn, Bolton, Brentford, Burnley, Chelsea, Coventry City, Derby County, Everton, Huddersfield, Ipswich Town, Leeds United, Liverpool, Manchester City, Manchester United, Newcastle United, Nottingham Forest, Oldham Athletic, Oxford United, Peterborough United, Reading, Sheffield Wednesday, Southampton, Stoke City, Sunderland, Tottenham Hotspur, Watford, West Ham United, Wimbledon, Wolverhampton Wanderers, and Yeovil Town.

Results

Soccer FA CUPING THIRD ROUND: Sheffield Wed 1-0 Nottm Forest (G) 0. Tottenham 3-0 Charlton 2-1. Ipswich 1-0 Swindon 2-0. Reading 2-0. Luton 2-0. Barnsley 2-0. Mansfield 2-0. Gillingham 2-0. Exeter City 2-0. Doncaster Rovers 2-0. Millwall 2-0. Notts County 2-0. York City 2-0. Shrewsbury 2-0. Walsley 2-0. Crawley 2-0. Maidstone 2-0. Dover Athletic 2-0. Maidstone 2-0. Dover Athletic 2-0. Maidstone 2-0. Dover Athletic 2-0.

Snooker

UK CHAMPIONSHIP (Final): Peter Dinklage 10-8 Willie Thorne (Wales) 8-7. Jimmy White 10-8 Steve Davis (Wales) 8-7. Jimmy White 10-8 Steve Davis (Wales) 8-7. Jimmy White 10-8 Steve Davis (Wales) 8-7.

American Football

NFL Arizona 17, New Orleans 15. Buffalo Bills 21, Cleveland 17. Dallas Cowboys 20, Indianapolis 14. NY Jets 20, Kansas City 14. Chicago 10, New England 6. Denver 20, Philadelphia 14. Washington Redskins 20, Jacksonville 3. St Louis 10, Carolina Panthers 10. Tampa Bay 20, Houston 10. Miami 20, San Diego 17. Tampa Bay 20, San Francisco 20. Baltimore 20, Oakland Raiders 14. Pittsburgh 17, St Louis 10. New York Giants 17, New York Jets 14. New England Patriots 17, Cleveland 14. Baltimore Ravens 17, Cincinnati 14. Baltimore Ravens 17, Cincinnati 14.

Real Tennis

BRITISH LEAD OPEN (Final): Peter Dinklage 6-4, 6-4, 6-4. BATHURST CUP (Amateur): Peter Dinklage 6-4, 6-4, 6-4.

Fixtures

UEFA CUP: Tottenham 17, Sheffield Wed 18. Newcastle 19, Arsenal 20. Liverpool 21, Manchester City 22. Manchester United 23, Nottingham Forest 24. Ipswich 25, Swindon 26. Reading 27, Luton 28. Barnsley 29, Mansfield 30. Gillingham 31, Exeter City 32. Doncaster Rovers 33, Millwall 34. Notts County 35, York City 36. Shrewsbury 37, Walsley 38. Crawley 39, Maidstone 40. Dover Athletic 41, Maidstone 42. Dover Athletic 43.

Sport in brief

Tennis Tim Henman, the British No. 1, has dropped two places from 27 to 29 in the latest ATP world rankings. Britain's No. 2 Greg Rusedzki, beaten by Henman in Sunday's National Championships final in Telford, remains at 38.

Pools Forecast

Table with multiple columns listing various sports events and their predicted winners, including FA Cup, UEFA Cup, and various league fixtures.

Vertical text on the right edge of the page, partially cut off, including 'TV cas', 'clubs', 'Lewis W', and 'Lewis W'.

Rugby Union

TV cash can tempt clubs back into fold

Robert Armstrong
ENGLAND'S leading clubs may shortly secure a bigger long-term money guarantee which could help resolve their nine-month dispute with the Rugby Football Union.

It will be difficult to get clubs to sign a five-year deal with the RFU that currently guarantees them money for only three years, will hold a meeting this week to discuss their next moves.

Clubs Association, which draws its members from the lower leagues. "We think it quite disgraceful the way Epruc has acted in this matter," said Colin Sewell, the NCA secretary.

Mains claims waitress spiked All Blacks drinks before final

Laurie Mains, the former New Zealand coach, has repeated his claim that he had spiked the All Blacks drinks before last year's World Cup final.

Mains said in a television interview that a South African waitress, "Susie", was paid to poison the team on the eve of the final, won by South Africa 15-12.

Jason Leonard will mark his 50th cap against Italy on Saturday by becoming England's vice-captain. Ben Clarke missed training at Bath on Friday.

Boxing

Lewis wants Wembley

Jack Massarik
LOOKING and sounding like a soul music superstar in Europe by public demand, Lennox Lewis was telling everyone yesterday how great it was to be back in England and that when he became the first Briton to regain the world heavyweight title he planned to do it in front of his English fans.

Having won full costs from King, given leave to sue him "for tens of millions" in a US civil suit, and been awarded his forfeited deposit of \$1 million (about \$650,000), they could scarcely contain their delight.

Williams, suffering from an upset stomach, was physically sick after the match and was excused the mandatory press conference.

Rugby League

Summer success leads to 'exciting' new season

Paul Fitzpatrick
FANS approve of summer rugby and, by an even more decisive majority, so do the players. A poll conducted by the Rugby League Supporters' Association shows 63 per cent of supporters in agreement with the move to summer.

Meanwhile Jack Robinson, Wigan's chairman, said yesterday that he had had talks with Chris Wright, the owner of Wasps rugby union club, but he denied suggestions of a takeover by the London club.

Williams, suffering from an upset stomach, was physically sick after the match and was excused the mandatory press conference.

Snooker

Williams defies sickness to win through

Cleve Everton
MARK WILLIAMS, the 21-year-old Welsh left-hander whose Grand Prix title at Rommneybank last month elevated him to fourth in the provisional world rankings, was glad of his 7-1 overnight lead as he completed a 9-3 first-round win over his compatriot Tony Chappell in the UK Championship at Preston Guild Hall.

Williams, suffering from an upset stomach, was physically sick after the match and was excused the mandatory press conference.

Williams, suffering from an upset stomach, was physically sick after the match and was excused the mandatory press conference.

Badminton

England unfazed by defeat

Richard Jago
DESPITE England's first men's doubles defeat of China's six-match tour, they are still on the verge of only their second success in any series against the visitors.

Without their best player, India failed to reach the 200m final stage in Bangkok this month. But Pakistan did, helped by their No.1 player Shokat Ali, born and based in Accrington.

Yesterday Ali was level 4-4 at the interval with Jason Ferguson.



Bag lady... an attendant takes care of visitors' bags, one of the many quirks of golf in Japan. PHOTOGRAPH: MATTHEW HARRIS

High tee in the mountains and a caddie filled with bags

David Davies visits Japan's first golf course, just a sedan-chair ride from Kobe

THOSE who survive the circuits, and precipitous, Alpine-style climb from the port of Kobe to the top of Rokko Mountain, some 3,000 feet up, will find, after a diligent search among the byways have, the oldest golf club in Japan. It was founded in 1903 by Arthur Hesketh Groom, who could be called the Father of Japanese Golf and responsible today for the millions of addicts who pursue the game in the Land of the Rising Sun.

The caddies are grateful for recent developments, though. Since graphite shafts and titanium club-heads replaced steel, and permanganate dihydrate, the overall weight they have to carry has dropped dramatically.

The 18th is perhaps what would be called the signature hole these days. An elevated tee looks over a tree-filled ravine, with a carry of 220 yards to the fairway, with the green a further 25 yards. There is a safe route to the right but the gully is filled with balls: this is Japan, where "face" is everything and no one wants to be a wimp.

Kobe is a museum piece and a treasure. This is truly golf as it originally was, and if it scarcely seems right to designate a hole of 183 yards as a par four, as is the 3rd, then it has to be realised that the green is probably 50-60 feet above the tee and even with modern equipment it requires a mighty smite to carry the ball to the putting surface.

American Football

Dashing Davis fuels sweet Denver dreams

Mark Tran in New York
DREAMS of a Super Bowl title are more vivid among the Denver Broncos after they shredded the New England Patriots to take over the NFL's best record - 10 victories to only one defeat - and with it potential home advantage in the play-offs.

The Patriots were on a hot streak until the Broncos hit Foxboro Stadium to crush them 34-0. The game was over at half-time and 24-0.

Williams, suffering from an upset stomach, was physically sick after the match and was excused the mandatory press conference.

Ice Hockey

New signing sparks Storm watch

Vic Batchelder
NOTTINGHAM Panthers hope they will recover something from a seemingly lost weekend in which Saturday's 5-4 home defeat to the Manchester Storm was followed by a 4-1 defeat in Cardiff.

The claim gained credibility when Manchester omitted Vanstaalduinen from Sunday's 6-1 home win over Ayr Scottish Eagles. A Storm spokesman said it was due to a "registration technicality" but yesterday the British Ice Hockey Association secretary

Tennis

Last bow for Gaby

Chris Bowers in New York

THE elite 16-woman tournament that closes the year as the Chase Championships, began last night in Madison Square Garden with a tribute to the 1990 US Open champion Gabriela Sabatini.

The organisers had no doubt already offered their silent tributes to Stef Graf, who hours earlier confirmed she would be playing here despite her sorely aching back.

Sabatini announced her retirement three weeks ago but the WTA Tour decided to make a big deal out of her as the 26-year-old Argentinian is - was - one of its brightest marketing attractions. She has not done well enough lately to qualify to play.

Ten months later she should have won a second Grand Slam title when she looked the genuine article on the fast grass of Wimbledon. But she never really seemed hungry enough and a more determined Graf took the title 9-7 in the final set.

A year later Sabatini split with Kirmayr, and despite a succession of new coaches she never rediscovered that form, although the endorsements kept coming. In retrospect her decline as a player can be traced back to June 1993 and the French Open quarter-final when she led Mary Joe Fernandez 6-1, 5-1, 40-30; after failing to convert a total of eight match points she lost 10-8 in the third after a soul-crushing 30 hours. It took her 17 months to win another event: her second Virginia Slims title here in 1994.

Wimbledon made a record "surplus" of \$29.1 million last summer, \$1.2 million up on 1995, giving the LTA a gross income for the year of \$46.1 million. Of this the governing body spent \$38.7 million on projects such as the first British ATP Tour event on clay, at Bournemouth in September, and 38 county-level tournaments. Officers appointed to service grassroots tennis.

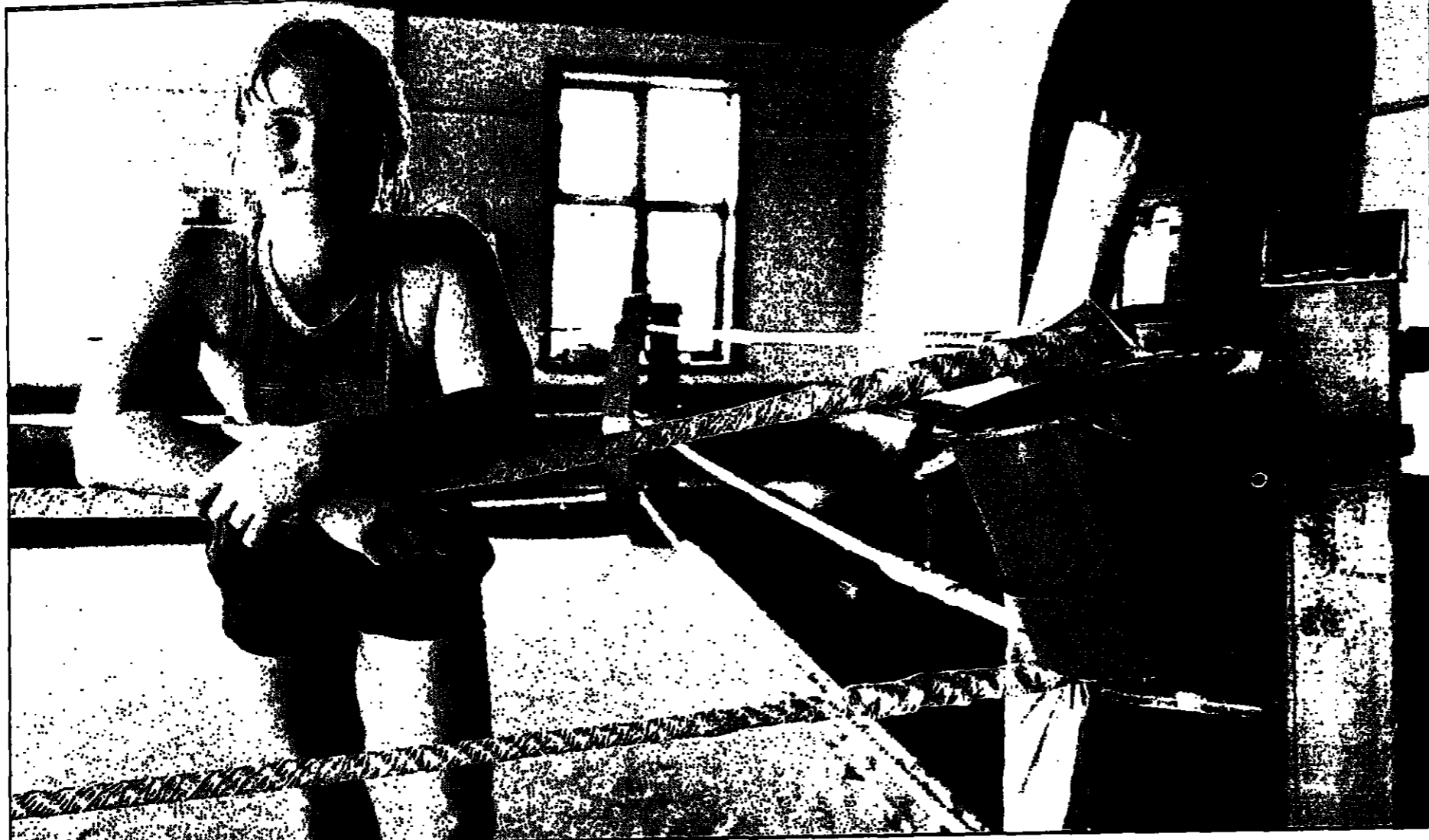
Williams, suffering from an upset stomach, was physically sick after the match and was excused the mandatory press conference.



Sabatini... retired at 26

# Sports Guardian

## BOXING



Ring leader... Sue Atkins, a former British and European lightweight champion who now coaches women over 14, gave the decision a cautious welcome. PHOTOGRAPH BY DAVID SALLIS

# Outcry over women in the ring

On the day another man dies of injuries suffered in a fight, female amateurs win the right to take part in the sport. Nick Varley reports

**B**OXING faced renewed criticism on two fronts yesterday as it was revealed, on the day that another male fighter died, that women and girls aged 10 and over will be allowed to fight as amateurs for the first time.

The coincidence of the announcement from the Amateur Boxing Association of England and the death of the Italian Fabrizio De Chiara provoked a furious reaction from campaigners against the sport.

But among the voices raised in concern about women's new rights to fight was a medical expert who has

been one of boxing's highest-profile defenders.

Dr Adrian Whiteson, chief medical adviser to the British Boxing Board of Control, said: "I'm terribly concerned about this. I don't think enough is known about the potential risks to women for such a decision to be made. Blows around the breast or chest can induce bruising, and the nodule which is created is difficult to distinguish from cancer."

"No one is saying it increases the chances of cancer but no surgeon is going to say 'Carry on', he's going to remove the lump."

Dr Whiteson, who advises the BBBC — which governs

professional fighting and does not endorse women's fighting — as well as the World Boxing Council and European Boxing Union, added: "Even if women wear breast protectors, they would have to be made of steel to stop bruising occurring. We also need to know much more about what is happening during the period, when the woman is shedding blood, making her more anaemic. And she could be boxing without even realising she is pregnant."

Criticism also came from more expected quarters. Dr Bill O'Neill, of the British Medical Association, which has been campaigning for boxing to be banned, said: "I'm very unhappy to hear this news. It is as dangerous for women as it is for men, possibly more dangerous, we just don't know."

Jim Brett, the deputy director general of the British

Safety Council, said: "It is very sick that the ABA should extend boxing in this way on the very weekend that another fighter dies. Public opinion wants less violence in our schools. The only outcome of allowing 10-year-olds in the ring will be more fights

mander Rod Robertson the doctor's objection was not on medical grounds but that he felt boxing would be handing ammunition to its critics.

The death of the middle-weight De Chiara, aged 25, after he collapsed in the final round of an Italian title fight, fuelled the debate further. Doctors at a hospital in Pisa turned off his life-support machine, confirming that he was brain dead. He was previously unbeaten in 12 professional fights.

Nevertheless Britain's women boxers celebrated the opening up of their sport at grassroots level. For the first time in the ABA's 116-year history, women and girls are now allowed to spar at amateur gyms and will be able to fight competitively from next October. Previously any of them wanting to hit anything more than a punchball had to turn professional and box under the banner of the Women's International Boxing Federation.

One who did, the welterweight Jane Couch, aged 28,

Britain's sole current world champion, welcomed the change. "I think it's really brilliant and very important. It's good news for the sport," she said. "If it was about when I first started I wouldn't have had to just get into ring with no experience."

The former British and European lightweight champion Sue Atkins, aged 35, who now coaches women and girls aged 14 upwards, gave a cautious welcome. "I think it's good. I wouldn't knock it, but I don't think we are now on our way," she said.

"As far as I'm concerned the sport will make far bigger advances if Sky keeps showing women's fights from America and Germany, which it has been doing." Two of Mike Tyson's most recent bouts have featured women's fights on the undercard.

She added: "Now I'm waiting to hear from the BBBC and hope they also change the rules so we can have women fighting on the same bill as men in this country like they do elsewhere."

## MORSE

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## Banned Giddins signs for Warwickshire

**David Hopps**

**E**D GIDDINS's first steps towards rehabilitation after testing positive for cocaine were completed yesterday when the England A fast bowler agreed a three-year contract with Warwickshire.

Giddins, who 10 days ago lost his appeal against a 19-month ban imposed by the Test and County Cricket Board, had received approaches from more than half the first-class counties since he was summarily sacked by Sussex in the summer.

Warwickshire's chief executive Dennis Amis described him yesterday as "an England player of the future", and that is an ambition which the player is determined to keep at the forefront of his mind during his suspension next summer. He is free to resume his career at the start of the 1998 season.


"I was anxious to sign quickly for a new county to keep my mind in focus," he said. "My ambition to represent England is as strong as ever and I hope that when my ban expires the authorities do not hold it against me. I will have served my punishment."

Giddins's playing alternatives are limited by the TCCB's insistence that the ban should cover all forms of first-class cricket worldwide. Warwickshire anticipates no objection to his proposal to pay him a midweek retainer next season to attend net sessions, and Giddins plans also to play league cricket in the south.

Having dealt so pitilessly with Giddins, Sussex's attempts to stanch an outflow of players by dismissing Alan Watts as captain showed their first signs of failure yesterday when Surrey completed the signing of Ian Salisbury.

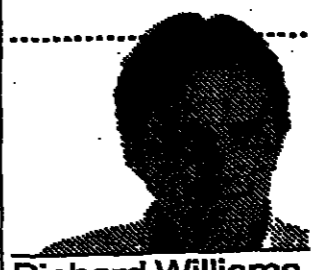
The leg-spinner anticipates that the harder, drier pitches at The Oval, allied to one of the largest outfielders in the country, will help him to revive his England career. He will be particularly eager to improve a first-class bowling average which still hovers over 30, his 479 first-class wickets having cost him 31.2.

Giddins... England ambition

  
**Even sicker is the 1986 record Selina Through The Windshield by the Len Bright Combo. Selina is a model for a hairspray firm. When her car crashes, the only recognisable feature is her hair, which has maintained its style perfectly. Pop music's morbid attraction towards tragic death**

G2 page 7

## Italy's other great racer on home straight



Richard Williams

**A PASSIONE**, Chris Rea's endearing film about why people love Ferraris, had its premiere at the London Film Festival last week. People who love Ferraris will be looking forward to its commercial release, for Ferrari-worship is the most identifiable strain of contemporary motor racing fandom.

Try to imagine a grand prix season without the prancing horse flags, the banners, the incontinent joy and existential gloom that accompany the fluctuating fortunes of the red cars from Modena. These things transcend age and nationality, and Rea's film investigates why this should be so. It begins with his very own Rosebud: a tiny model Ferrari, a Dinky Toy from the 1950s, cupped in a small boy's hand.

But there was a time when Ferrari was not even the most romantic name in Modena, never mind in the entire world of motor racing. Curiously, La Passione had its premiere on a pivotal day for the legacy of Maserati, a name which once went with Ferrari as Fellini went with Antonioni.

As you read this, 19 historic Maseratis are in a south London garage. By the end of the week they will be back in Modena where they belong.

Brooks, the specialist auctioneer, was to have put them up for sale in London in early December, acting for a company representing the interests of the ailing Alessandro de Tommaso, an Argentinian wheeler-dealer who bought the bankrupt Maserati company for practically nothing from the Italian government in the 1970s and sold it to Fiat three years ago. The collection includes two exotically named cars associated with Stirling Moss, the unique "Eldorado Special" in which he was almost killed on the Monza banking in 1957, and a 1960 sports car known as the "Birdcage" because of the intricacy of its chassis frame.

Mystifyingly, Fiat refused to buy the collection along with the company three years ago. Yet when Brooks's press releases had gone out and the catalogues had been printed, the pasta began to fly as an almighty row erupted in Italy.

These cars, it was said, were part of the heritage of Emilia-Romagna, a region of Italy where the sculptors work not in bronze but in aluminium. Eventually it was agreed that they should not be allowed to fall peacefully into the hands of private collectors and on Thursday a deal was struck ensuring that the cars return to Modena, where a museum will be built to house them.

They have been bought, for a sum said to be around £1.5 million, by a syndicate of five apparently involving the city of Modena and a member of the Farinelli family, inventors of football stickers.

Maserati was a magical name long before Enzo Ferrari assembled his first car almost 50 years ago. In the summer of 1926 the four Maserati brothers — Alfieri, Ernesto, Bindo and Erossto — proudly unveiled their first car in Bologna, posing for a photograph against the rough-stone garage wall with the craftsman who had helped them build it. Alfieri drove the car in its first race, the gruelling Targa Florio over the Madonie mountains in Sicily, putting Maserati on the road to a glorious racing history in the hands of Nuvolari, Varzi, Taruffi and others.

But the brothers' business acumen was not up to their engineering genius, and in 1932, five years after the premature death of Alfieri, the company had to be rescued by an Italian industrialist, Count Orsi, who moved the company to Modena and gave the remaining brothers a 10-year contract. When it expired they quietly returned to Bologna, to build little sports cars called Osce to their usual technical and aesthetic standards.

**B**ACK in Modena, the cars that bore their name maintained a design integrity that often evaded Ferrari, and were winning races in the hands of Fangio and Moss. But the economic situation was always marginal, and a disastrous trip to South America in 1957 saw four of the team's sports cars destroyed in a single race, a catastrophe from which Maserati never really recovered.

Orsi and his successors lacked the harsh ambition and political cunning of an Enzo Ferrari, and the firm gradually faded from the racing scene. Fiat's involvement ensures that it will never be back, since the conglomerate already subsidises one grand prix team. But there are some who fear that the legend retains a special poetry, and for whom the Rosebud, the battered little Dinky Toy, is called Maserati.

## Guardian Crossword No 20,814

Set by Chionie

1	2	3	4	5	6	7	8	9	10
11	12	13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28	29	30
31	32	33	34	35	36	37	38	39	40

- Across**
- 1 Feeling poorly during escape at dusk (7,5)
  - 6 Social climber mounted Ernst's last two paintings (7)
  - 9 Disfigurement is the result of some terrible mishap (7)
  - 11 Schoolteacher died instead of a hoodlum (7)
  - 12 Pet seen struggling to take an upturn (7)
  - 13 Poor French commander shelters journalist (5)
  - 14 Endless crisis preceded the beginning of economic development (8)
  - 16 Record allowed Lawrence to adopt gold embellishment on uniform (9)
  - 19 Having second thoughts about one making strides (6)
  - 21 Things I worked on to gain enlightenment (7)
- Down**
- 23 Cherish hospital's shady retreat (7)
  - 24 Report back about drink's clearing agent (7)
  - 25 Measure motorway during the night in the country (7)
  - 26 Be pessimistic about the weather — frost is widespread (4,3,5)
- Solution tomorrow**
- Stuck? Then call our solutions line on 0891 330 238. Calls cost 50p per minute Mon-Fri, 8am-6pm, and 40p per minute at all other times. Service supplied by ATS.

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